

Approximately three-quarters of WA sheep producers indicated that assistance to expand domestic processing capacity in WA and the development/expansion of export markets for sheepmeat were the top priorities.

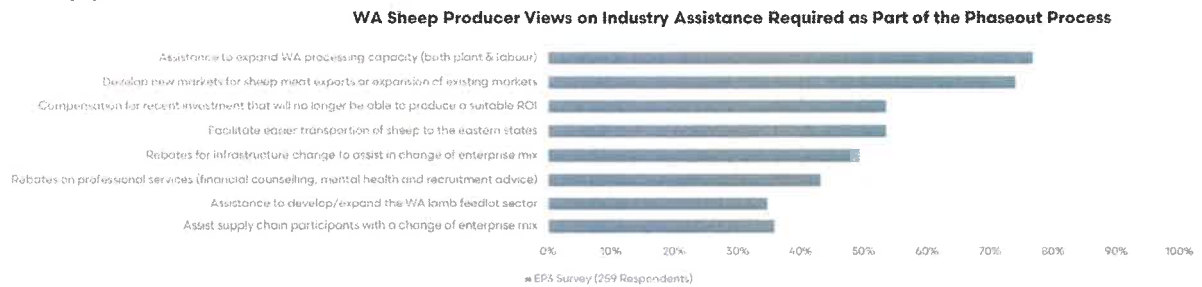


Figure 40 Sheep Producer - Industry Assistance Programs, Sources:EP3

Filtering respondent attitudes towards assistance packages and removing sheep producer’s views saw a redistribution of views for some categories. The expansion of abattoir capacity and market access for sheepmeat exports were still top priorities among industry participant groups (excluding sheep producers). However, assistance to develop/expand the WA lamb feedlot sector also featured prominently with around 60% of respondents favouring this assistance option.

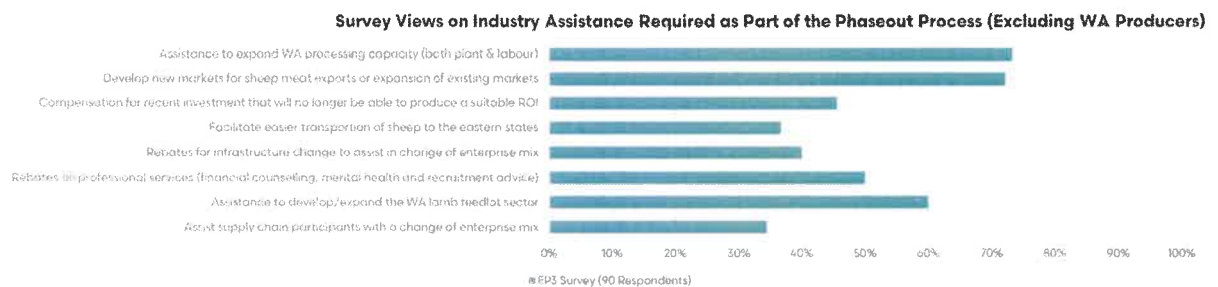


Figure 41 Other Live Export Industry Participants - Industry Assistance Programs, Sources:EP3

B. Shearing Services

Broadly speaking participants across the WA wool sector have expressed concern over the phase out of the live sheep trade and the implications this may have for the WA sheep flock, both in terms of flock size and composition. Many have expressed a concern that proceeding with the phase out will lead to reduced sheep numbers in WA and/or a reduced Merino mix in terms of sheep variety in favour of shedding sheep or composite sheep/wool breeds.

A reduction in Merino sheep numbers could have a negative impact on WA’s wool production volumes. For example, based upon the WA wool bale volumes sold last financial year, a 20% reduction in the WA Merino flock could reduce WA wool production by approximately 75,000 bales. While a reduction of wool bales of this magnitude would have an impact upon the entire WA wool supply chain there would be a significant impact upon shearing services.

Shearing services play a vital role in the live export supply chain, as all sheep need to be shorn before they can be exported. Various roles make up a shearing team, including shearers, wool classers, wool pressers, rouseabouts, and sometimes even a cook.

The retention of staff is already a challenge for shearing managers, and consultation with shearing industry representatives in WA indicate that it will become even more difficult if there is a halt in demand from the live trade.

Shearing services do not heavily rely on the purchase of technical inputs or other services for their operation. However, there is a significant benefit to regional and rural communities resulting from shearing contracting operations with shearing teams often spending on food, fuel and sometimes accommodation when travelling around the state undertaking shearing contracts.

Table 13 Live Export Contributions to WA Wool Sector, Sources:EP3, Industry

Live Export Contribution to the WA Wool Sector		
	2022	2017
Per Annum	Estimate	Estimate
Sheep Shorn	496,000	1,610,000
Wool Bales Produced (clean)	6,889	22,361
Shearing Revenues	\$ 3,659,546	\$ 8,665,251

Based upon the declining numbers of live sheep export volumes seen from 2017 to 2022 there has already been a reduced contribution to the WA wool sector and shearing revenues attributable to the live export trade.

In 2017 1.6 million head of sheep were sent offshore as live export and as these sheep were expected to be shorn prior to departure, produced an estimated 2.5kg of clean fleece per sheep, which would equate to around 22,361 bales²⁴. Estimated shearing revenues for this volume of sheep would equate to A\$8.7 million.²⁵

A calculation of the contribution of the live export sector to shearing revenues and wool volumes based on the lower live export volumes seen in 2022 of just 496,000 head equates to 6,889 wool bales and A\$3.6 million in shearing receipts.²⁶

Shearers surveyed as part of the consultation for this report feared that a smaller WA sheep flock and reduced holding of Merino sheep would result in less work. Most shearers indicated that they would exit the industry if work wasn't available throughout the season.

In terms of government assistance to successfully transition away from the live export trade most shearers indicated that they would benefit from training to re-skill and/or assistance to relocate.

C. Livestock Transport Operators

Livestock road transport operators in Western Australia are highly reliant on the live export trade compared to other participants in the value chain. The revenue generated from live exports plays a significant role in road transport businesses, often accounting for a substantial proportion, typically ranging from 25% to 50%.²⁷

²⁴ Based upon a 180kg bale.

²⁵ Based on an average shearing cost of \$5.38 per sheep shorn.

²⁶ Based on an average shearing cost of \$7.38 per sheep shorn.

²⁷ The revenue reliance on the live sheep trade for road transport operators in WA sits at 25% - 50% of total revenues according to the online surveying undertaken for this report and an earlier survey undertaken for the Livecorp report into the live sheep export trade. See link below
https://assets.ctfassets.net/8fjsq0xyf4sy/62P1HVEflIuSpl74O0Ylai/89ae72890e8450d5b87ff38389130c3e/W.LIV.1001_Final_report_Phase_1.pdf