



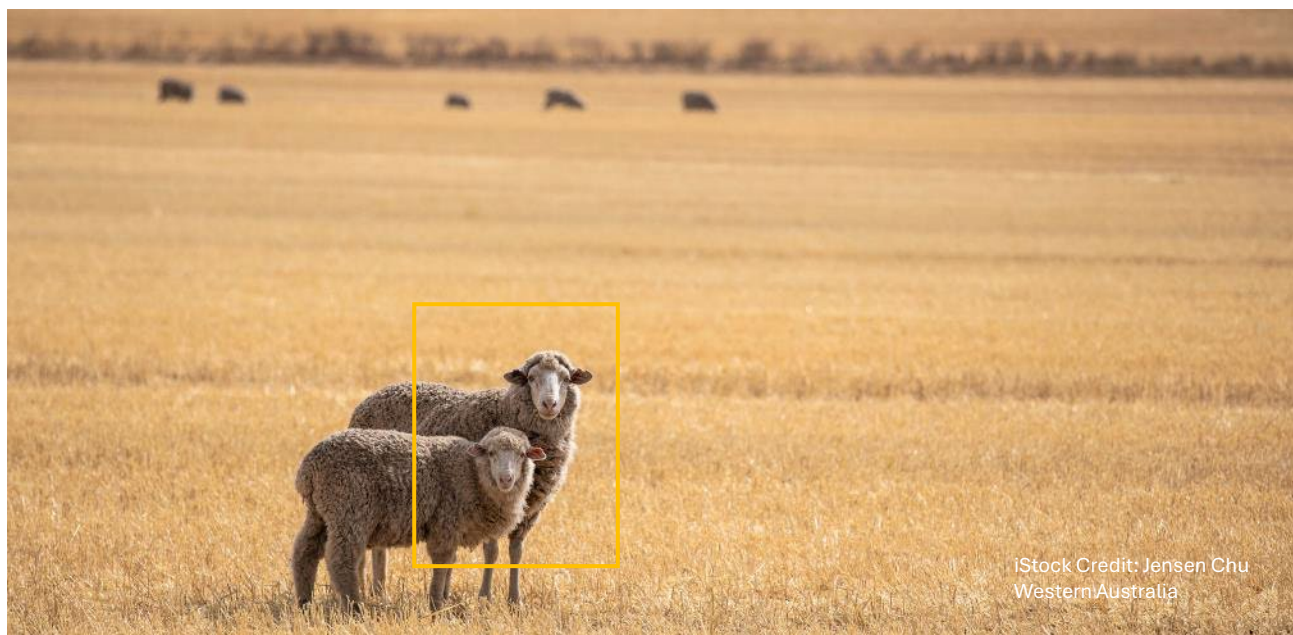
Australian Government
Department of Agriculture,
Fisheries and Forestry

ThinkPlace
Part of Synergy Group

Transition assistance for the phaseout of live sheep exports by sea

Co-designing the \$45.5 million producer and supply chain assistance package

A ThinkPlace^X report prepared for the Department
of Agriculture, Fisheries and Forestry



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Western Australia

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Acknowledgement of Country

We acknowledge the continuous connection of First Nations Traditional Owners and Custodians to the lands, seas and waters of Australia. We recognise their care for and cultivation of Country. We pay respect to Elders past and present, and recognise their knowledge and contribution to the productivity, innovation and sustainability of Australia's agriculture, fisheries and forestry industries.

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Note:

- All images included in this document are sourced from Western Australia.
- The personas in this document combine multiple people we engaged. They do not represent 1 individual.
- The quotes are direct, verbatim quotes from participants.
- ThinkPlace^x, part of Synergy Group, was engaged by the department to conduct the codesign process with producers and the supply chain in the Western Australian sheep and wool sector.

Focusing question

How can the department engage producers and the supply chain to shape effective assistance for sheep and wool industry stakeholders impacted by the phaseout of live sheep exports by sea?

Section 1

Executive summary

Background

This report presents the findings of a co-design process for the \$45.5 million producer and supply chain transition assistance package, part of the broader \$139.7 million transition program responding to the phaseout of live sheep exports by sea. The report is written for The Department of Agriculture, Fisheries and Forestry. The report's purpose is to inform the department's decision making about assistance funding. The co-design process engaged producers and the broader supply chain. This report synthesises what we heard to support decision-making.

Where we went and who we spoke to

The co-design process focused on areas most affected by the phaseout, the sheep grazing regions of Western Australia (WA). Upwards of 300 people attended over 20 co-design workshops representing the breadth of perspectives across the sheep meat and wool supply chain in WA.

Participants identified the immediate and longer-term challenges resulting from the phaseout. They identified opportunities going forward and co-designed ideas to inform the assistance package.



At a glance



3 online focus groups and multiple interviews with representatives from peak bodies and industry advocates



16 co-design workshops to discuss challenges, opportunities, ideas and prioritisation



Desktop review of existing documentation and industry feedback



More than 300 people attended the co-design workshops and activities

What we heard

The end of live sheep exports by sea on 1 May 2028 removes an important turn off for producers of Merino wethers, light lambs and other surplus stock. While live exports account for approximately 500,000 sheep per year—about 10% of total disposals—producers told us this trade provides an important outlet for lambs that would otherwise have to be sold at a much lower price.

"Live export option provided more competition in pricing." – Fremantle

In Western Australia, the short growing season in the sheep grazing belt results in limited time for finishing lambs to reach marketable weights before dry conditions set in. While this affects only a portion of the flock, producers advise this significantly affects the profitability of sheep grazing. The removal of this sales avenue can change the economic viability of running sheep within mixed farming enterprises. Many producers voiced that they have lost confidence in the sheep grazing part of their business.

"Pressure relief avenues – need to be able to turn off if seasonal conditions go against us." - York

People attending co-design workshops were very concerned that the loss of confidence is already leading to a decline in sheep numbers. This is leading to reduced employment in local towns. Participants were concerned about the implications for local communities such as reduced health and education services, sporting teams and access to retail services.

Based on these challenges, participants across co-design sessions generated 90 ideas. After combining similar ideas, 31 unique ideas remained. A cross-section of industry participants converged these into 10 prioritised ideas through a focused one-day workshop to optimise the \$45.5 million transition assistance package. The remaining 21 ideas are good ideas that could be taken forward by the Australian government, state government, and industry.

PERSONA 1

Dave – Livestock Transporter,
Narrogin

"Supply chain and processing is complex – processors might do packing here then send it over to Brisbane to get it out of country, other times they move sheep to east to be slaughtered."

The reality that Dave is facing:

- Runs a small livestock transport business based in Narrogin
- Live export phaseout has reduced demand for trucking sheep to a variety of locations including Fremantle
- Exploring domestic abattoir and feedlot transport, but limited processing capacity is causing delays and uncertainty
- Concerned about long-term viability if demand keeps shrinking
- Weighing up whether to invest in alternative transport opportunities or downsize

"We'll lose families and kids at schools, their partners work in retail and have their own businesses in the towns and broader area."

"When there are no sheep left what happens to the wool industry?"

"The markets exist, but we can't get the product there."

The result – 10 measures to meet 4 needs

The co-design process highlighted the interconnectedness of the sheep and wool supply chain to broader social, economic and environmental systems. The phaseout has put many systems out of balance and reduced confidence. The theory of change developed through the co-design process strives to restore balance in the sheep and wool supply chain and give confidence to all participants. From the theory of change there are 10 measures that meet 4 needs contributing to 4 objectives that ultimately deliver 2 key outcomes for the industry.

While the focus of this report is on the \$45.5m transition assistance, other ideas may be progressed by the Australian government, state government or industry.



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The needs and measures

Below is a list of the 4 key needs and the associated measures:

Need 1. Establish a shared industry vision and economic strategy

Measure 1.1 Long-term strategy and economic analysis

Need 2. Improve Merino wether and light lamb value

Measure 2.1 Satellite feedlots

Measure 2.2 On-farm confinement feeding and feed-lotting

Measure 2.3 Increased applied grower knowledge

Need 3. Enhance supply chain transparency

Measure 3.1 Price transparency and market feedback

Measure 3.2 Objective carcase measurement

Measure 3.3 Forward contracts

Need 4. Immediate support for most affected industries

Measure 4.1 Shearers as agricultural employment brokers

Measure 4.2 Immediate support for trucking industry assistance

Measure 4.3 Immediate support for most affected communities

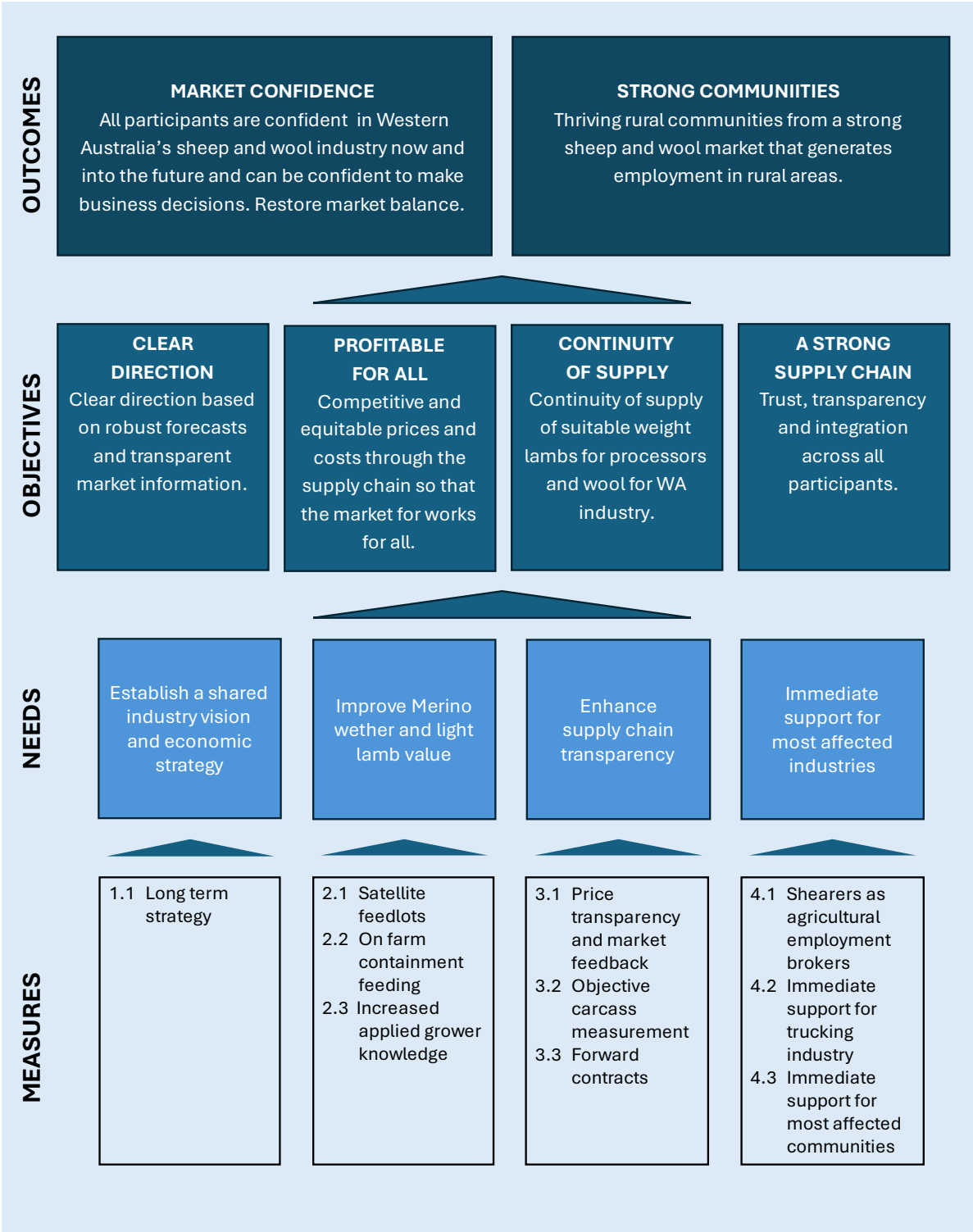
Notes

1. These measures were further developed and the report provides the details.

2. Throughout the document the term “ideas” is used to refer to the 31 ideas generated in workshops. When they were prioritised and developed more fully, they are referred to as “measures”.

Based on what we heard, we developed a theory of change

People across the supply chain identified many areas to address. Some of these were higher level areas such as confidence in the future of the sheep and wool industry and a strengthening of local communities. Others were specific actions such as increasing the weight of light lambs and increasing the continuity of supply. The theory of change is a framework to show how the priority ideas will meet the needs, objectives and key outcomes desired by the participants of the workshops.



Section 2

Context

The need for a co-design process

The Australian government initiated a co-design process to develop industry-led solutions to ensure a sustainable transition for Western Australia's (WA) sheep and wool sector following parliament's decision to phase out live sheep exports by sea by 1 May 2028. This process brought together members of the supply chain including producers, processors, researchers, exporters and government to explore alternative markets, improve supply chain coordination, and build resilience into the industry.

Rather than a top-down approach, the co-design process sought to leverage local expertise, data-driven insights and collaborative decision-making to inform government about a practical and economically viable transition strategy.

Co-design process objectives

- Understand industry needs through direct engagement.
- Identify practical transition assistance measures.
- Develop solutions to provide both short-term relief and long-term resilience.
- Establish a transition framework balancing economic sustainability, market development and workforce stability.
- Ensure transparency and collaboration between government, industry and regional communities.

PERSONA 2

Mick – shearing contractor, Darkan

"Lose a couple of families and you've lost a footy club. Flow-on effect and threat of this has already started to impact. Places like Darkan, ewe numbers and such are down. Flow-on effect has happened. Even if it was reversed, there are people that have gotten out already."

The reality that Mick is facing:

- Runs a shearing team, coordinating jobs across WA's sheep regions
- Struggling to plan for the future with uncertainty around sheep numbers and demand
- Managing staff morale, mental health and retention as work becomes less reliable
- Finding it harder to secure housing for shearers, adding pressure to operations
- Feeling deflated as industry confidence declines and more farmers move away from sheep
- Seeking stability, with reliable east-west livestock routes as one available option

Co-design process scope

The results of the co-design process will inform allocation of the \$45.5m producer and supply chain transition assistance which is part of the \$139.7m package shown in the diagram below.

Findings also inform areas beyond the \$45.5m component.



Figure 1. Transition Plan Implementation Approach – Department of Agriculture, Fisheries and Forestry (November 2024)

"Financial return point of view – the bank manager will laugh at you if you are going for funds."

"We can't forward plan as we don't even know what will happen a week in front."

"We've got to take a cold shower and look for a way out of it."

Co-design workshops held in Western Australia

The co-design team travelled to locations across the Western Australia sheep grazing zone. The team engaged broad representation across the supply chain in a mix of focus groups, longer sessions and one-on-one conversations. The team planned the location of sessions based on the concentrations of sheep numbers and the location of other supply chain participants. The team also engaged with peak and representative bodies through 3 focus groups to inform the design of the approach, locations and attendees.

The co-design process covered 14 locations with a total of 16 sessions including 2 in Perth and 2 in Fremantle. The map below shows where co-design workshops were held.

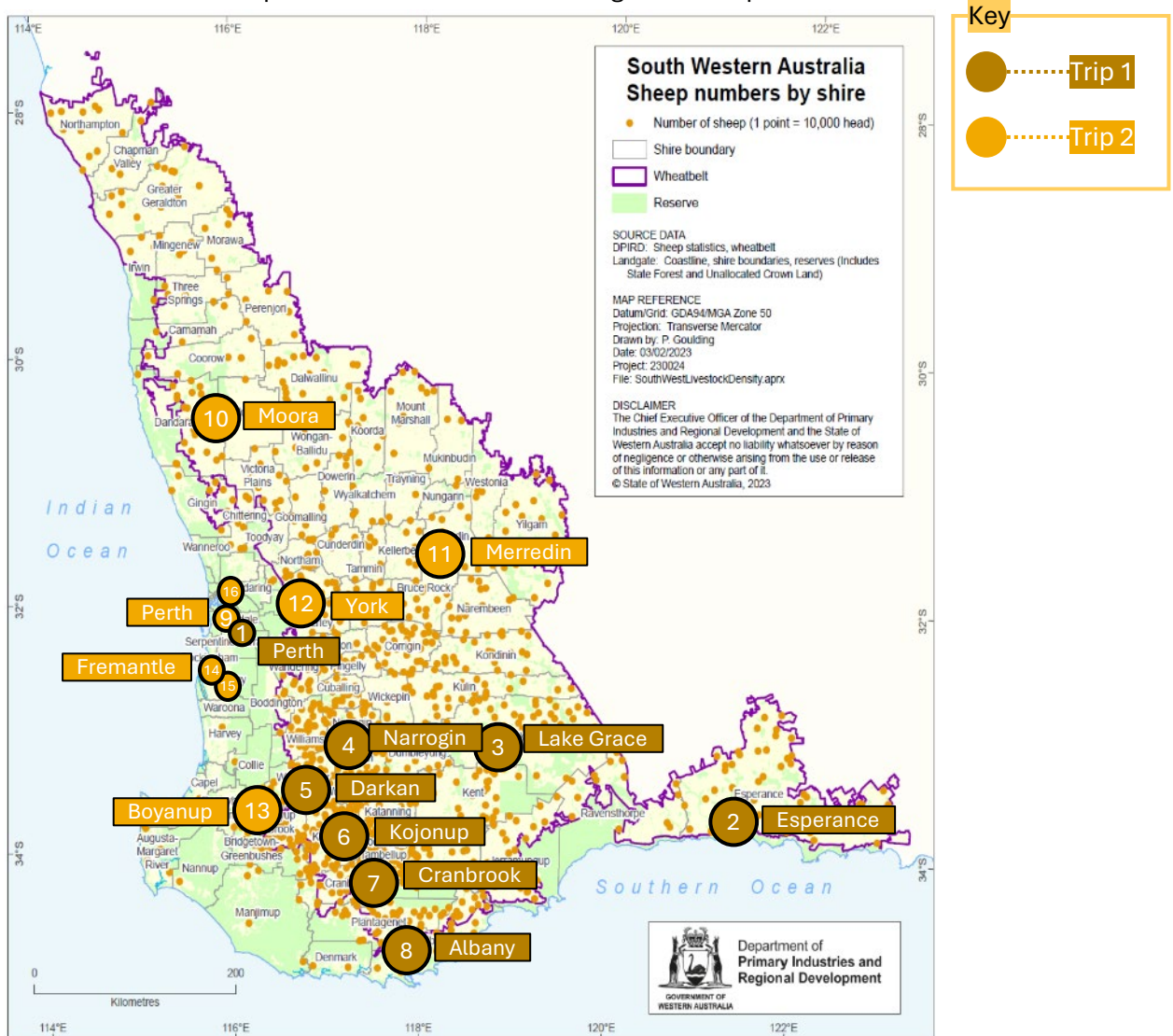


Figure 2. South Western Australia sheep numbers by shire. Co-design locations are marked. Map courtesy of WA Department of Primary Industries and Regional Development.

To ensure a good cross-section of participants, the invitation process engaged peak and representative bodies to identify stakeholders in these locations. For a co-design workshop, an ideal workshop size is between 12 and 24 participants. The combination of peak body invitations, subsequent social media by those directly invited and targeted phone calls resulted in a good spread of engagement.

Co-design process stages

Co-design planning

Identifying the participants affected across the supply chain and the geographic areas where sheep flocks are located. Determining the engagement numbers, locations, durations and formats.

Early Jan 25

Mid Jan 25

Background research

Reviewing existing reports, policies, and data to ensure that previous engagements were leveraged and to maximise the value of the time participants gave to the process.

Later Jan 25

Engagement with peak bodies

Engaging with peak and representative bodies through 3 focus groups to inform the approach and identify participants.

Early Feb 25

Co-design workshops - round 1

Conducting 8 workshops and interviews with people across the supply chain to explore industry challenges and opportunities. These workshops also identified many ideas which were further developed in round 2.

Mid Feb 25

Mid Feb 25

Analysis and synthesis

Identifying challenges and opportunities to be addressed.

Co-design workshops - round 2

Testing of the challenges, opportunities and ideas identified in round 1, adding new ideas and depth to the ideas. This was conducted with representatives across the supply chain in 7 co-design workshops.

Late Feb 25

Late Feb 25

Analysis and synthesis

Compiling the needs and ideas generated for prioritisation.

Validation workshop

Prioritising and converging on transition assistance measures. This was conducted over a full-day co-design workshop with representatives from the earlier co-design sessions.

March 25

April 25

Report writing

Iterating and testing recommendations to ensure feasibility and stakeholder alignment. Production of the final report.

Report delivery

Delivery of the final report .

Section 3

What we heard

Sheep grazing in Western Australia

Western Australia (WA) holds a unique position in the context of the live sheep phaseout due to its geography, climate and long-standing reliance on live export markets. WA's sheep industry is centred around the Merino breed, which provide both meat and wool, thriving in the region's pastoral zones and mixed farming systems that combine grain and livestock production.

Farming in WA is an interconnected system with most producers relying on an integrated farming system that includes sheep, wool and cropping. Each producer makes decisions on the mix that they will have.

Unlike eastern states, WA's dry Mediterranean climate and short growing season creates challenges for finishing lambs to processing weights without supplementary feeding. Historically, WA has been the dominant supplier of live sheep exports, with producers relying on this market for Merino wethers, light lambs and other surplus stock that do not meet domestic processing specifications.

The state's vast distances, limited local processing options, climate and reliance on long supply chains make market diversification particularly challenging. Additionally, WA's sheep industry has seen significant destocking due to economic pressures, land use shifts towards cropping and concerns about the phaseout.

Sheep grazing and its contribution to local communities and towns

There is an intrinsic link between the grazing industry and the life of local towns and communities, particularly in WA. Participants said that the sheep grazing and wool industry generates more local employment per hectare than cropping. The industry contributes to more local employment along the supply chain, the ongoing viability of retail and wholesale businesses, access to health and education services and the social fabric of communities including local sporting teams and volunteer organisations.



Lake Grace, Western Australia

The role of live sheep exports

Live sheep exports play an important role in WA's sheep industry by providing a market for Merino wethers, light lambs, and older sheep that are not suited to domestic processing.

The trade allows producers to manage their flock numbers effectively, particularly within integrated farming systems incorporating sheep grazing and cropping. WA's proximity to key live export markets in the Middle East provides a steady demand, helping to stabilise prices and provide an outlet during peak supply periods.

Participants also said that the live sheep trade has served as a key risk management tool, enabling producers to sell sheep that might otherwise be vulnerable to price fluctuations, seasonal constraints, and processing bottlenecks.

The implications of the legislation to phaseout live sheep exports by sea

The Australian Government's decision to phaseout live sheep exports by 2028 has had a particular impact on WA's sheep grazing landscape. Since 2019, all of Australia's live sheep exports by sea have departed from WA.

Participants said that the ban was driven by concerns over animal welfare in offshore markets, although they stated there has been significant regulatory and self-imposed improvements in the last few years.

The removal of this market not only disrupts long-standing supply chain relationships but also challenges the economic viability of many sheep enterprises, particularly in regions where alternative markets and processing capacity are limited.

Sheep producers and supply chain participants expressed deep uncertainty resulting from the phaseout. They said they are unsure of their future options to sell light lambs, Merino wethers, and older sheep. This is leading to price drops, and reduced revenue to growers.

Abattoirs in WA require heavier animals for economic processing, but WA's short growing season makes it difficult to finish all lambs to the necessary weight consistently throughout the year.

Some producers have moved to crossbreeding Merino ewes with White Suffolk or Poll Dorset rams for a faster maturing lamb. Others have tried shedding breeds with mixed success.

Participants said that confidence has been eroded in the sheep and wool industry and this lack of confidence has spread throughout the supply chain and to regional communities.

"Biggest challenge is the uncertainty – we've seen the turn off and our concern is the investment we need to make."

PERSONA 3

John – long-time sheep farmer, Merredin

"Scaring the next generation of kids off even trying to farm. Three generations are on the farm and can't even support one generation."

The reality that John is facing:

- a third-generation-farmer with decades of experience running a large sheep operation.
- deeply opposed to the live export phaseout, feeling it's an unjustified attack on an industry he's spent his life building.
- sees the phaseout as a direct threat to his livelihood and the economic stability of his rural community.
- frustrated by government decisions that don't take into account the long-term value of sheep farming and exports.
- believes the policy will have far-reaching consequences on local businesses, jobs, and the broader agricultural economy.

The supply chain

The co-design process surfaced many different roles in the supply chain. At the heart of the supply chain are the core participants—producers, feedlot operators, abattoirs, exporters and meat and wool markets. These core participants are directly involved with the sheep meat and wool products. Surrounding them is a broader set of participants who provide services and support throughout the supply chain. The supply chain is shown in the diagram below.

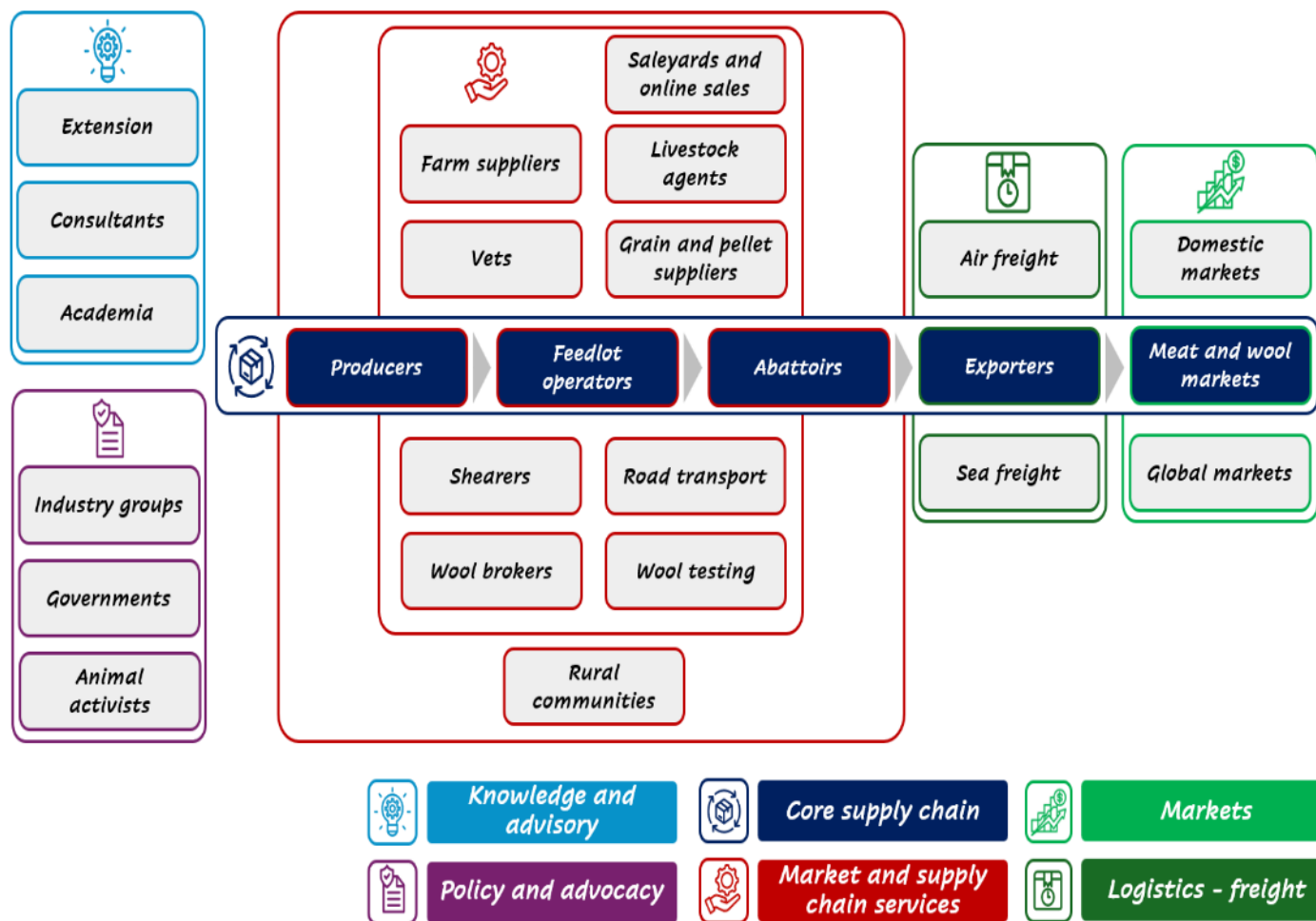


Figure 3. Sheep and wool supply chain in Western Australia

Participants thoughts and concerns

Most participants voiced strong opposition to the live sheep export phaseout legislation. They asked that this be stated as a condition of participation in the workshops.

Their core concern is that the phaseout of live sheep exports by sea has removed a market that they rely on for sheep that do not meet domestic requirements including Merino wethers, light lambs and older sheep. This affects the profitability of their Merino enterprises and is accelerating the industry trend of producers switching from sheep to cropping.

Participants said that sheep and wool enterprises employ significantly more people per hectare than cropping enterprises. Reducing sheep numbers and wool volumes is directly affecting small businesses such as shearers, trucking companies and vets. Rural communities across the pastoral zone in southern Western Australia expressed strong concern about the effect this will have on schools, medical services other businesses and community groups. Participants talked of a critical mass required to maintain the industry.

"Many farmers are indicating that they're getting out of sheep – and they're very good at what they do."

"Even if the boats were brought back tomorrow, it would take ages to get them back."

"For me, I like sheep and it's [flock] gone down. People who hate sheep are just getting out."

"Land around Cranbrook is not arable – we can't easily switch away from Merino."

"Biggest challenge is the uncertainty – we've seen the turn off and our concern is the investment we need to make."

"Wool industry is becoming a cottage industry."

"Just came along today as I'm fed up with the uncertainty in the industry."

"Exports helped to de-risk the market."

"Nothing more scary than running into a winter with 10,000 breeding stock."

“ ”

“I am here today to understand what the transition package will actually mean – and how we might get some balance back. That is what it has done – it has upset our balance.”

LAKE GRACE

The identified challenges impact the stakeholders differently

Across the supply chain, stakeholders advised challenges and impacts:

Farm consultants

Increased demand for advice on enterprise transitions, risk management, and adapting to new markets. Producers seeking alternative income sources require guidance on feed-lotting and market diversification. A high level of economic focus by farm consultants has exacerbated the advice to leave the industry.

Industry groups

Increased advocacy workload due to need for policy reform, regulatory efficiency, and market development. Must work to restore confidence and competitiveness in the industry while engaging with government on long-term solutions.

Producers

Loss of live export market reduces options for Merino wethers, light lambs, and older sheep, lowering profitability. Increased uncertainty is leading to a shift towards cropping, reducing rural employment. Producers described significant investment write downs and costs if they move out of sheep and into cropping.

Stud Merino breeders

Ram breeders have experienced an immediate reduction in the purchase of Merino rams. Breeders face uncertainty about future demand and the genetics that will be sought after.

Community health providers

Rising stress and financial strain among farmers and supply chain participants due to industry uncertainty. Increased demand for mental health support, with potential decline in funding as regional economies shrink.

Sheep industry specialist contractors

Reduced sheep numbers impact demand for shearing, wool handling, drenching, and other specialised services. Declining industry confidence threatens job security and workforce retention.

Rural communities

Sheep and wool enterprises employ significantly more people per hectare than cropping enterprises. Reducing sheep numbers and wool volumes are directly affecting small businesses such as shearers, trucking companies, vets and farm suppliers. This will affect rural communities across the pastoral zone in southern Western Australia.



The identified challenges impact the stakeholders differently (cont.)

Across the supply chain, stakeholders advised challenges and impacts:

Livestock agents

Decreased transactions due to fewer reduced flock sizes. Fewer sales opportunities result in lower commission income and pressure to find more domestic markets.

Pellet suppliers

Operators of pre-shipping feedlots and live sheep vessels will no longer purchase pellets post the phaseout. Some new markets may open if there is an increase in domestic feedlots and on-farm containment feeding.

Feedlots

Increased interest from producers looking to finish sheep for domestic markets. There are high infrastructure establishment costs including secure water supplies and meeting regulatory requirements.

Transporters

Decline in live export shipments reduces demand for livestock transport to ports. Some may transition to moving sheep to domestic abattoirs or feedlots. Reducing flock numbers reduces overall stock movements. West to east transport issues present additional challenges.

Wool brokers

Declining sheep numbers reduce wool supply, threatening business viability. Loss of critical mass in the industry could reduce international competitiveness.

Saleyards

Fewer live export sales mean reduced transaction volumes and commission revenue. Potential shift towards facilitating more domestic processing transactions.

PERSONA 4

Tom – livestock exporter, Fremantle

“Bottlenecks on export facilities such as freight out of Fremantle are a joke. It’s a disgrace that we would consider trucking containers to Brisbane. We have ports but end up going thousands of kms to Queensland.”

The reality that Tom is facing:

- The live export phaseout removes a crucial market for him.
- Struggling to find alternative buyers, with limited domestic processing capacity creating bottlenecks.
- Rising costs and reduced competition in the supply chain are squeezing margins.
- Frustrated with regulatory uncertainty and the timing of the phaseout, making long-term planning difficult.
- Concerned about the broader impact on-farmers, transporters, and rural communities.

The identified challenges impact the stakeholders differently (cont.)

Across the supply chain, stakeholders advised challenges and impacts:

Exporters

Live sheep exporters face the removal of their key market, making it difficult for the sustainability of their businesses. Chilled meat and wool exporters face a change in the market that they will need to adjust to.

Southern WA cattle exporters

Higher export costs due to reduced economies of scale when shipping cattle without sheep, 70% of exports were mixed species. Fewer shared transport opportunities increase financial strain on cattle exporters.

World market

Reduced supply of Australian live sheep may shift demand to other countries with lower animal welfare standards. The cessation of live sheep exports may harm Australia's reputation as a reliable supplier.

Registered establishments and live sheep export depots

Significant reduction or complete cessation of operations due to the ban. Some may need to repurpose facilities for domestic feed-lotting, processing, or other livestock industries.

Abattoirs

Increased pressure to expand capacity to absorb surplus stock. Abattoirs have the infrastructure and need to expand their operating periods and workforces to respond. Abattoirs need continuity of supply of suitable weight lambs across the year.

Veterinarians

They will no longer have employment on the export vessels or in the preparation of export documents. Reduced sheep flocks reduces demand for veterinarians in grazing zones. There is a potential shift in work requirements with the shift in the supply chain.

The implications of the challenges for supply chain participants

The combination of challenges described in this section will require decisions by those affected. Supply chain participants described the disruption to a deeply integrated system. Changing supply chains will require time and investment. In the interim, producers said they are making decisions based on financial considerations, the infrastructure available to them, whether they have alternative options, and the specific capacity of their farms in terms of grain production, soil type, and existing facilities.

Farmers described 3 approaches they are taking, there are significant plant, equipment and infrastructure costs associated with these changes to land use:

- 1. Exiting the sheep industry** – Participants in every location described decisions that they or their neighbours are taking to either offload stock or delay breeding. Shearers and livestock transporters are experiencing the direct effect of these decisions.
- 2. Maintaining current operations** – Some farmers have chosen to continue without changes, adopting a wait-and-see approach. This group primarily includes those with limited alternatives or those with the scale to absorb the impact.
- 3. Adjusting the production balance** – Other farmers said they are shifting their operations, reducing their reliance on sheep by adjusting the ratio of livestock to crops. Where in the past, a larger source of income may have come from grazing, this is now reversing with the major source of income coming from cropping.

The uncertainty surrounding the long-term viability of WA's sheep industry remains a significant challenge. Future policies, market conditions, and industry adaptation will determine the sustainability of the sector.

“ ”

“Biggest thing is the worry about flow on effects to towns. Local stocky in town with young kids. Neighbour has a hay baler – won’t be viable for him. If they leave they’ll never come back. So much unknown in the short-term and big long-term effect.”

NARROGIN

Summary of challenges and opportunities

Community and local impacts

1.

Participants repeatedly described how the impacts of the loss of confidence in the sheep and wool industry were much wider than just producers and the supply chain. This needs to be considered as part of the development of the packages. The employment and spending of producers and those in the supply chain contributes greatly to maintaining vibrant communities in local towns and regions.

This contribution is often multi-generational with producers and others caring deeply about the communities they are part of.

Education for employment and infrastructure development could support rural communities to increase workforce retention and sustain thriving local businesses and operations. Funding could be provided directly to the communities, where it could be allocated to areas of the most need.

Reduction in grower profitability

2.

Due to global economic conditions compounded by the removal of the option to export live sheep by sea, producers of meat and wool are facing a reduction in profitability across their business.

Improve the marketability and value of Merino wool and sheep meat by developing new market opportunities, enhancing meat product branding, and ensuring fair pricing mechanisms such as forward contracts across the supply chain. Emphasise the clean green credentials of sheep and wool. Provide incentives for feed-lotting and confinement feeding to increase weights either on-farm or in satellite feed-lots.

A reduction in compliance costs across transport, ports, approval processes would better ensure that regulatory frameworks support industry growth, including on-farm.

PERSONA 5

Alan – sheep farmer, Mingenew

“Politicians don’t speak to us with pride – we are a dart board. Politicians are scared to come and see us – they don’t care. No votes here.”

The reality that Alan is facing:

- A sheep farmer with years of experience in the live export industry
- Feeling confused and disappointed by the decision to phaseout live exports, especially as he’s seen the sector evolve over the years
- Sees little consultation with producers like him and feels unrepresented, particularly by politicians and industry leaders - feels as though industry contributors aren’t being taken seriously in the decision-making process
- Not angry, but frustrated at the lack of clarity and support around the phaseout and what it means for his business and community
- Seeking more information on what alternatives are available, but unsure where to turn for clear guidance or support

Summary of challenges and opportunities

Loss of live export market and industry viability

3.

The phaseout of live sheep exports by sea is removing a key market for producers, particularly for Merino wethers, light lambs, and older sheep that do not meet domestic processing requirements.

This is leading to reduced profitability for Merino enterprises and a shift toward cropping, which employs fewer people per hectare. The decline in sheep numbers threatens the viability of small businesses such as shearers, transporters, and farm suppliers, reducing rural community resilience and pushing the industry below the critical mass needed for sustainability.

Increasing confidence in the profitability of sheep production could reverse the decline and increase the viability of the sheep industry in WA.

"Most people in the room have suffered a financial loss and bred less sheep."

Regulatory burden and policy change

4.

Changing policy settings such as the introduction of the phaseout and increasing excessive regulation are increasing costs and reducing industry confidence.

Lengthy approval processes for infrastructure projects such as feedlots and regulatory changes for livestock transport make supply chain adaptation difficult in the time available. Participants strongly opposed the phaseout and stressed the need for bi-partisan, science-based policy making that respects industry expertise and provides long-term stability.

Regulation for new projects that will assist transition from live sheep export to either domestic consumption or chilled exports could be streamlined and fast tracked.

"Issue with feedlots – state government wants to treat a small feedlot the same as the 20,000 sheep ones – the feedlots are highly regulated – regs need to be scaled."

Summary of challenges and opportunities

Processing and market access

5.

Removing live sheep exports reduces competition in the WA sheep sector. Producers are concerned that limited competition in processing restricts prices and producer profitability.

There are constraints in WA's airports and seaports that limit commercial access to high-value international markets. Increasing competition in the market for sheep and expanding local facilities are essential to sustain the industry. Processors say there is sufficient processing capacity today which can be increased, whereas producers said that capacity is not available at peak times. There is also limited or no capacity for sheep that do not meet certain specifications. These sheep make up most of those that are exported as part of the live animal export trade.

Opportunities exist to invest in the expansion and efficiency of WA processing capacity. This will ensure sufficient infrastructure to handle increased supply and reduce reliance on interstate or international processing.

"What are we going to do in 2028? I can't crop the entire farm. I'm very good at sheep production."

Declining industry confidence and rural workforce challenges

6.

The phaseout has coincided with slow global economic conditions and low global wool prices. The combination of these factors is resulting in very low confidence in sheep and wool. Growers said this is leading to reduced investment and declining sheep numbers. This is influencing rural employment, as sheep and wool enterprises provide significantly more jobs than cropping.

The result is a mismatch in labour supply and demand across sheep services including shearing, trucking, veterinarians and processing. As the labour force adjusts to a changing sheep flock there is potential to have either too few or too many workers.

Targeted workforce development, with a focus on broader agricultural skills sets could retain skilled workers in rural economies.

"5 shearing teams down to 2 shearing teams. School is decimated. Community impact."

Summary of challenges and opportunities

Supply chain disruptions and infrastructure gaps

7.

Transport restrictions, limited cold storage, and inadequate port facilities create inefficiencies across the supply chain. Air and sea freight costs add to the cost per kilogram of the final product sold, and this can make goods uncompetitive.

Many people expressed the need to enhance road, air and sea freight infrastructure. Ensuring reliable west to east transport for live sheep and meat products will help to maintain market access. This can be done by improving roads and spelling sites and streamlining transport regulations.

The streamlining of logistics from feedlots to abattoirs, cold storage, and export facilities will support efficient transport and smooth access to domestic and international markets.

"We got stuck with 7,000 extra sheep last year. We had pellets and it didn't rain, had to get feed supply and grain. Abattoirs can't keep up. The 7,000 sheep stayed right through to August."

Loss of competition and market power

8.

Producers are concerned about a lack of competition across processing, feed-lotting and retail which reduces producer bargaining power.

Producers expressed imbalances in power with limited abattoir and supermarket providers which leads to price suppression. This makes it difficult for farmers to secure fair returns. Participants want to see new market entrants, investments in processing technology, support for small processors, and transparency in pricing and forward contracts to build a more competitive and resilient industry.

Encourage competition across all parts of the supply chain, including processing, feed-lotting, and retail, to promote fair pricing, market transparency, and a more resilient industry.

"How will we farmers determine in the future if we are getting a competitive price and realistic structure? What will make the market re-balance itself without live export?"

Summary of challenges and opportunities

Economic viability of alternative markets

9.

The industry can transition toward domestic processing to replace the previous live sheep exports. To do this, Merino wethers and light lambs require increased weights and greater continuity of supply to meet processor requirements.

Investing in feed-lotting, confinement feeding, and branding strategies that highlight the clean, green credentials of WA sheep and wool is important.

Invest in research, feedlot development, wool promotion, and environmental resilience to maintain long-term industry strength and stronger links between research and industry.

"Satellite feedlots—somewhere for people to get rid of wether lambs and someone to finish them."

Government industry relations and public awareness

10.

Participants stressed the need to rebuild trust between industry and government, calling for greater transparency and respect in policy engagement. Many felt that previous consultations had not been genuine. Participants required encouragement throughout this co-design process, to trust that they could influence the allocations of the transition package.

Participants also want an improved understanding about the role of agriculture between urban and rural communities. They want co-designed programs aligned with existing initiatives, such as the Future Drought Fund to address both immediate industry needs and long-term structural challenges.

There is an opportunity for bipartisan support and predictable, science-based policy settings that provide industry certainty, encourage investment, and sustain long-term confidence in the sector. Participants were seeking a strong and respectful relationship between industry and government.

PERSONA 6

Jemma – sheep stud breeder, Moora

"I'm extremely passionate about my stud and want to keep it going. We (brothers and husband) also run cropping – feel like I'm clutching at straws to keep the sheep at the second"

The reality that Jemma is facing:

- has been stud breeding near Moora for 15 years.
- sees the dropping flock numbers as a big loss to investment in highly developed genetics.

Ideas and needs

The early co-design workshops focused on understanding the challenges and opportunities participants faced resulting from the phaseout. As the process progressed, the focus moved to validating the earlier challenges and opportunities and then generating ideas from participants about what could be done. In total, 90 ideas were generated. When documenting these duplicate ideas were combined to arrive at 31 unique ideas which were mapped to 7 needs based on the challenges and opportunities. These interim findings are shown below:

Needs	Ideas
1. Strengthening market development and demand signals	1.1. Hogget branding
	1.2. Forward contracts - offshore
	1.3. Bulk offshore orders
	1.4. Trade negotiations
2. Improving Merino wether and light lamb value	2.1. On-farm confined feeding
	2.2. Co-op feedlots, satellite, central
	2.3. Processor feedlot capacity
	2.4. Address regulatory barriers
	2.5. Genetic breeding programs
3. Aligning processing capacity with supply and demand	3.1. Expanded operational window
	3.2. New co-op owned abattoir
	3.3. Forward price contracts – abattoir
4. Enhancing supply chain transparency	4.1. Price transparency
	4.2. Abattoir feedback
	4.3. Extension and consultant services

Needs	Ideas
5. Strengthening transport and logistics resilience	5.1. Upgrade abattoir truck facilities
	5.2. Spelling sites west to east
	5.3. Secure standards west to east
	5.4. Port efficiency and competitiveness
	5.5. Air freight logistics and capacity
	5.6. Streamline supply chain regulation
	5.7. Shearer workforce development
	5.8. Vet transition
6. Establishing a shared industry vision and economic strategy	6.1. Long-term strategy
	6.2. Projections
	6.3. Critical mass
7. Strengthening industry – government collaboration	7.1. Unified voice
	7.2. Independent regulator
	7.3. Trust and respect
	7.4. Bipartisan support
	7.5. Urban rural engagement

Section 4

Sense making and setting priorities

Sense making and setting priorities

This section explains how we moved from the challenges, opportunities, needs and ideas that we heard, to a prioritised set of ideas that could be funded through the \$45.5 million transition package. To achieve this, we worked with a cross-section of people drawn from the workshops. They participated in a full-day validation workshop. We also had several one-on-one conversations. We developed a scoring matrix for each of the ideas, however due to the integrated nature of the ideas we asked 4 groups to develop a narrative explaining how their highest rated ideas would lead to a positive future for the industry. These narratives identified a set of integrated ideas that the validation workshop participants concluded would deliver the greatest impact towards rebuilding confidence and strengthening local communities. Participants also considered the feasibility of ideas in terms of ease of implementation. This integrated set of ideas was further developed into 10 measures. This package will inform the allocation of the \$45.5m assistance package.

Outcomes

The highest-level concerns that participants voiced were the loss of confidence in the WA sheep and wool industry and the consequent impact that this is having on rural communities. To address this, the highest-level outcomes to achieve from this package are:

Outcome 1 - Market confidence

Producers and the supply chain are confident in WA's sheep and wool industry now and into the future, with the confidence they need to make business decisions and restore market balance.

Outcome 2 - Strong communities

Rural communities are thriving, based on a strong sheep and wool sector that generates employment in rural areas.

Objectives

To achieve these outcomes, the validation workshop converged on the importance of getting the domestic processing supply chain working. This requires lifting the quality and continuity of suitable weight lambs through nutrition, breeding and producer knowledge. Attention to the following areas would move to rebalance the sheep and wool supply chain in WA.

1. Industry participants are seeking a **clear direction** for WA's sheep and wool industry. The clear direction is based on robust economic analysis and forecasts combined with transparent market information.
2. Participants voiced the need for competitive and equitable prices and costs through the supply chain so that the sheep and wool industry is **profitable for all**.
3. An effective supply chain requires **continuity of supply** of suitable weight lambs for meat processing and wool for the fibre industry.
4. **A strong supply** chain displays trust, transparency and integration across all participants. This allows all participants to collaborate towards a strong future for WA's sheep and wool industry.

Focusing in on highest rated needs and ideas

Participants mentioned forecasts from several sources that suggest a growing international demand for red meat but less growth prospects for wool. The conclusion reached with wool industry participants is that a focus on a profitable dual purpose Merino herd will provide the wool side-benefit which is expected to become more profitable as global wool prices improve. Therefore, the report targets improvements in meat profitability which in turn will benefit the wool industry.

Based on the focus groups and validation workshop, the outcomes and objectives can be translated into 4 prioritised needs:

1. Establish a shared industry vision and economic strategy

There is a need for an industry-led long-term strategy for the sheep meat and wool industry in WA, underpinned by a sound economic analysis. This will help restore market confidence and provide greater confidence to producers and the supply chain to make investment decisions.

2. Improve Merino wether and light lamb value

There is a need to fatten light lambs for local processing to replace their turn off through live exports. This is difficult in the WA climate where grazing conditions are suitable for only 3 or 4 months of the year. Strategically located satellite feedlots would allow stock to be fattened for processing. This would be supported by on-farm containment feeding for producers outside the catchment of the satellite feedlots.

Growers learn best from growers to increase their knowledge of markets, genetics, nutrition and integrated farming systems. An increase in containment feeding will require additional knowledge about the economics and animal husbandry of this practice change.

Improved value for these stock will boost productivity, sustainability, and competitiveness within the agriculture industry.

3. Enhance supply chain transparency

There is a need for greater transparency across the supply chain. Processors are not receiving the kinds of animals they require to meet current and forward contracts. Producers are not receiving timely feedback on the stock sent to processors. These poor feedback loops translate into lower prices to producers.

By providing relevant and timely information to producers they can adjust breeding and feeding programs to produce the kind of sheep that markets are buying.

Forward contracts will help bring price certainty and objectivity into the market by providing pricing confidence to producers, feed-lotters and processors.

4. Immediate support for most affected industries

The most affected industries and communities need some immediate support. One idea centres around expanding the remit of shearing contractors to source and provide additional non-shearing work for shearers so they are employed throughout the year in their regional communities – keeping people and money in regional towns.

Another idea is for the immediate support for the trucking industry to assist them update or change their assets in the light of a future without live sheep exports by sea.

Regional communities in WA are at risk of decline. If workers leave the community, then schools, health services, sporting teams and small businesses suffer and ultimately close.

Identifying the highest rated ideas

To meet the top 4 needs, the validation workshop identified the following top 10 set of integrated ideas that would have most impact towards building market confidence and strengthening communities. Note that as the ideas have been developed, we have renamed these top 10 ideas, the “measures”. These measures are listed below.

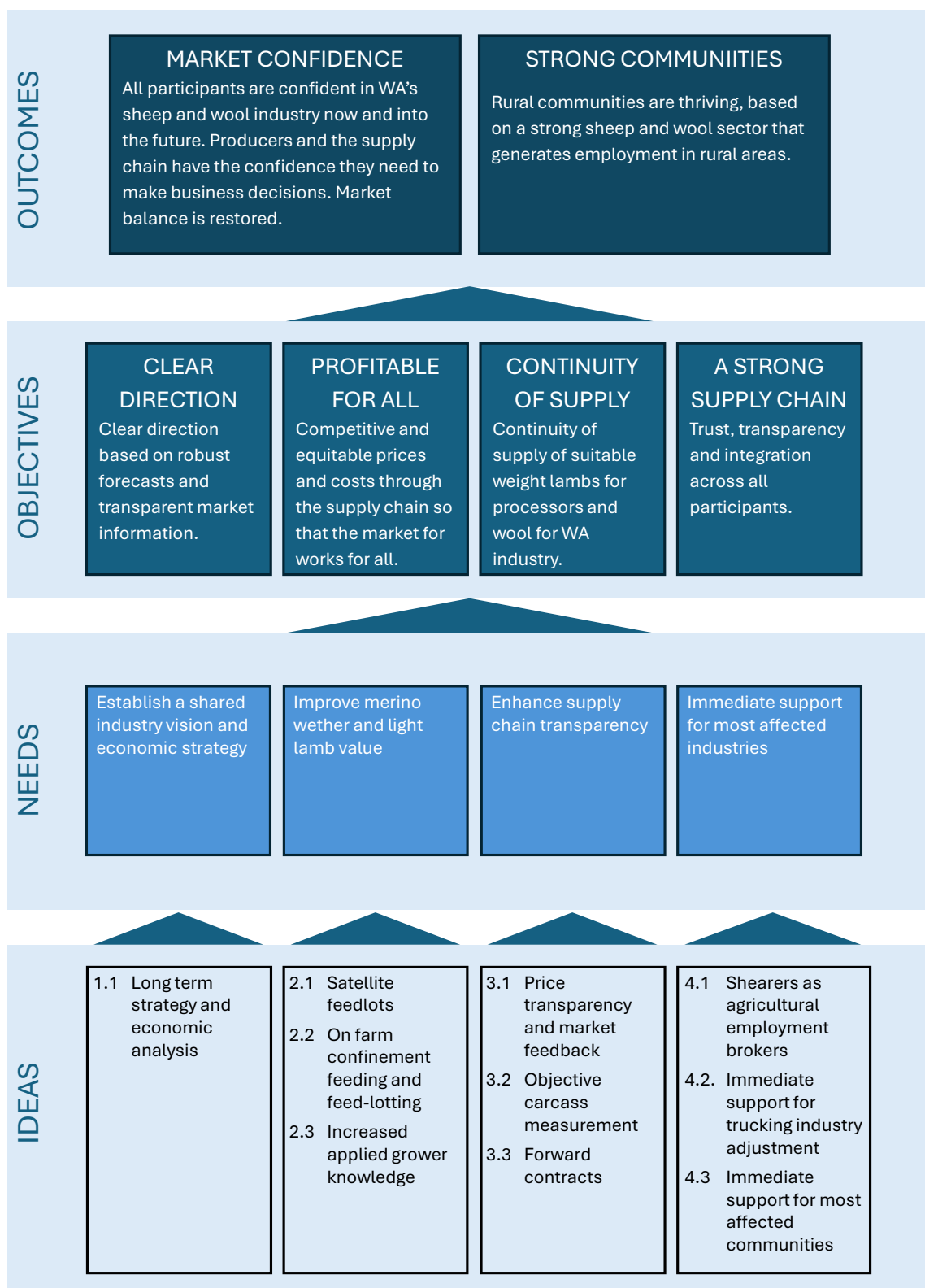
Needs	Measures	
Establish a shared industry vision and economic strategy	1.1	Long-term strategy and economic analysis
	2.1	Satellite feedlots
Improve Merino wether and light lamb value	2.2	On-farm confinement feeding and feed-lotting
	2.3	Increased applied grower knowledge
	3.1	Price transparency and market feedback
Enhance supply chain transparency	3.2	Objective carcase measurement
	3.3	Forward contracts
	4.1	Shearers as agricultural employment brokers
Immediate support for most affected industries	4.2	Immediate support for trucking industry assistance
	4.3	Immediate support for most affected communities

The other ideas

While the co-design process identified these measures that industry participants propose to government for consideration for funding through the \$45.5 million program, there are many other good ideas that we heard (including crossover thoughts and considerations with the \$40 million set aside for processors and feedlots). These can be progressed through other means, including Australian and state government programs as well as industry-led initiatives.

Theory of change

The prioritisation previously described resulted in the following theory of change. A theory of change is a structured way of explaining how and why a set of activities will lead to a desired change. It illustrates how all the combined ideas will address the identified needs, contribute to achieving the objectives, and ultimately deliver the outcomes that participants are seeking.



Section 5

The overall set of measures

About the measures

The following pages provide details behind the integrated set of 10 measures. For each measure we describe the measure, the objective it meets, why the measure is important and the activities required to implement the measure. The material was drawn from worksheets completed at the co-design workshops. Collectively, these measures support action towards the main outcomes of market confidence and strong communities.

Below is a list of the measures and the objective of the measure

Measure	Objective
1.1 Long-term strategy	To create confidence and direction for the Western Australian sheep meat and wool industry.
2.1 Satellite feedlots	To increase the weight of light lambs, particularly Merino wethers, that will increase profitability and lift continuity of sheep supply to abattoirs and the market.
2.2 On-farm confined feeding	To increase profitability and maintain continuity of sheep meat supply to abattoirs and the market and increase lamb weights.
2.3 Increased applied grower knowledge	To link producers to the research and supply chain knowledge so that they can consider this in their business, production planning and decision making.
3.1 Price transparency and market feedback	To improve the information flow within the system, increasing transparency, product quality and pricing.
3.2 Objective carcase measurement	To provide producers with objective feedback about the quality of their stock from meat processors which will support continuous improvement of the flock.
3.3 Forward contracts	To build confidence through supply chain and maintain continuity of sheep in WA through legally binding forward contracts.
4.1 Shearers as agricultural employment brokers	To provide more employment opportunities for those living in rural and regional communities and retain vibrancy of those communities.
4.2 Immediate support for trucking industry assistance	To meet the immediate transition needs of the livestock transport industry as they respond to a different set of market demands.
4.3 Support for affected communities	To provide some immediate support to rural communities to assist them to offset some of the impacts from the phaseout of live sheep animal exports.

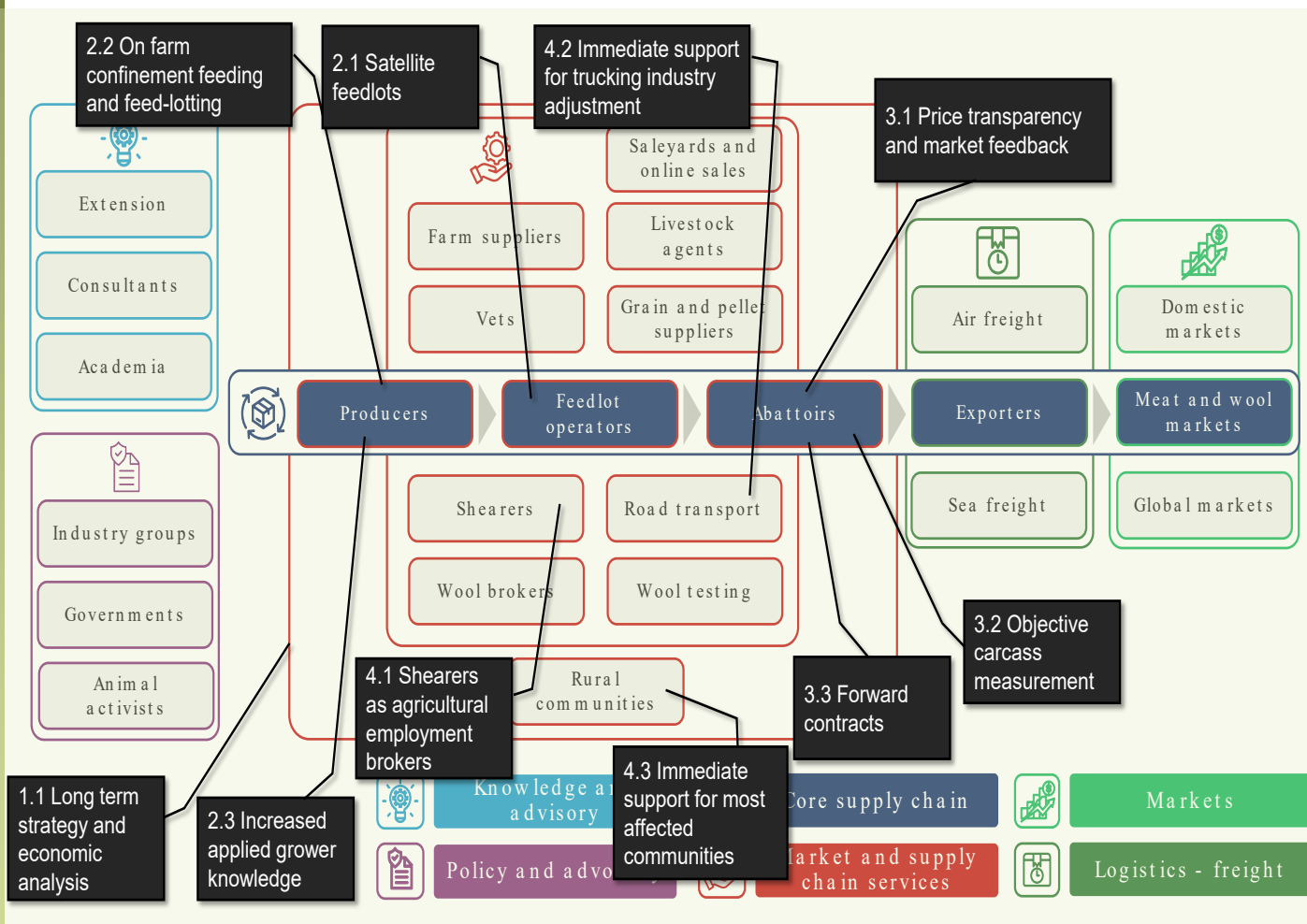


iStock Credit: Richard Jacyno
York Western Australia

The supply chain overlaid with the measures

This version of the supply chain shows how the 10 measures map onto the supply chain introduced on page 17.

By addressing these areas benefits will flow throughout the supply chain and into surrounding communities.



“ ”

“Our group is certainly
opposed to the
phaseout. Haven’t been
listened to and have
spent time writing
submissions that have
been ignored.”

CRANBROOK

1.1

Long-term strategy

Redefining a Western Australian sheep meat and wool industry vision and strategy underpinned by an economic analysis

A clear industry-led government supported strategy promotes direction, confidence, growth, and sustainability for the WA sheep and wool industry. Defined goals, innovation, and collaboration help navigate challenges, improve market access, and attract investment, securing a competitive and resilient future. Strategic planning also supports regional economies and assists industry to adapt. Co-designing this with industry promotes ownership and includes a future farmers component which could provide optimism and a vision for younger people to join the industry.

What is the objective?

To create confidence and direction for the Western Australian sheep meat and wool industry.

Why is this important?

- Strengthens industry confidence: a long-term strategy builds on the industry's 200 year history to boost stakeholder confidence in WA's sheep and wool sector, attracting investment and encouraging growth.
- Stabilises the sector: without swift stabilisation, the wool and sheep meat industry may continue to contract, further affecting WA's rural economy.
- Provides clear guidance: establishes a structured plan for industry stakeholders, investors, and policymakers, ensuring alignment of efforts.
- Ensures long-term resilience: helps the industry adapt to economic or policy changes, ensuring its sustainability in a fluctuating market.
- Identifies innovation opportunities: highlights areas for innovation, market development, and investment, ensuring the industry remains competitive and resilient.
- Supports market expansion: provides a framework for expanding market access, including supporting trade negotiations and diversification:
 - Ensures informed decision-making: provides a clear picture of how policy changes will affect the industry.
 - Review and test original regulatory impact statement against current data: this ensures that previous assumptions are still valid and reflects any changes in the current environment or data trends.
 - Assess real-world impacts on WA communities and the economy: this evaluates how the phaseout will directly affect local economies, communities, and the state's financial landscape, providing a more accurate picture of its consequences.

1.1

Long-term strategy

What activities are involved?

- A study of the economic contribution of the sheep and wool industry to WA to provide real information and data
- Additional consultation on the plan
- Deliver information sessions on the plan
- Assist industry associations to engage with transition and implement the plan
- Conduct a wool future project to assess economics, market projections, and industry impacts. Include initiatives to build trust in WA's sheep and wool sector.

2.1

Satellite feedlots

Supporting the development of satellite feedlots

Support for collaborative enterprises to establish feedlots. There could be approximately 5 satellite feedlots around regional hubs. Feedlots provide facilities for finishing Merino lambs. Producers could “lease space” in the feedlot or sell to the operator to finish their stock.

Feed-lotting requires specialist animal health and welfare knowledge, as well as close attention to the economics of increasing animal weights through supplementary feeding. It requires ongoing employment to ensure animals are healthy and fed. It requires good supplies of water, and infrastructure to shelter and contain animals and provide access to the site.

This measure would provide funding to assist in the establishment of feedlots. This measure achieves the same objective as measure 2.2, confined feeding, but through a different means.

What is the objective?

To increase the weight of light lambs, particularly Merino wethers, that in turn increases profitability and lifts continuity of sheep supply to abattoirs and the market.

Why is this important?

- Viable feed-lotting: a small number of strategically located feedlots provide a critical mass of infrastructure and expertise to run feed-lots successfully.
- Supply chain stability: ensures consistent lamb supply and improves processing weights.
- Reduces pasture pressure: Helps manage land during dry seasons.
- Supports Merino wether finishing: as Merino wether lambs mature slower than crossbred lambs, finishing them ensures they meet processor weight requirements.
- Maintains wool industry stability: encourages Merino breeding, benefiting wool markets and shearers.
- Secures Market for Merino Wethers: without demand, producers may reduce Merino ewe breeding.
- Alternative to live export: provides another sales avenue for Merino wethers that don't meet processor specifications.
- Farmer and producer confidence: gives assurance that Merino wether lambs can be sold profitably.
- Community feedlots: encourages collective investment in regional feedlot solutions.
- Promotes competition: reduces reliance on dominant abattoirs, creating a more competitive market.
- Increased farmer profitability: high-quality, grain-fed lamb may attract higher prices that increases profitability.

2.1

Satellite feedlots

What activities are involved?

- Business planning, location identification, navigating and expediting regulatory requirements
- Co-fund feedlot development
- Develop industry owned standards
- Co-fund water infrastructure to support feedlots
- Develop model contract between farmers and feedlots, including information sessions and training
- Invest in research and development for nutrient management, weight gain, and meat quality in feedlots.

2.2

On-farm confined feeding

Supporting the development of on-farm confined feeding including water, feed storage and feed infrastructure

Incentivising on-farm confinement feeding increases the weight of lambs that are currently unsuited to domestic processing specifications. It also increases the number of months that lambs are available in the processor supply chain smoothing out peaks and troughs, boosting supply chain productivity and resilience. These would be outside of areas that have access to satellite feedlots.

On-farm confined feeding could particularly assist those producers who are not located near proposed satellite feedlots outlined in measure 2.1.

What is the objective?

To increase profitability and maintain continuity of sheep meat supply to abattoirs and the market and increase lamb weights.

Why is this important?

- Supply chain stability: ensures consistent lamb supply and improves processing weights.
- Reduces pasture pressure: helps manage land during dry seasons.
- Supports Merino wether finishing: as Merino wether lambs mature slower than crossbred lambs, finishing them ensures they meet processor weight requirements.
- Maintains wool industry stability: encourages Merino breeding, benefiting wool markets and shearers.
- Secures market for Merino wethers: without demand, producers may reduce Merino ewe breeding.
- Alternative to live export: provides another sales avenue for Merino wethers that don't meet processor specifications.
- Farmer and producer confidence: gives assurance that Merino wether lambs can be sold profitably.
- Community feedlots: encourages collective investment in regional feedlot solutions.
- Promotes competition: reduces reliance on dominant abattoirs, creating a more competitive market.
- Increased farmer profitability: high-quality, grain-fed lamb may attract higher prices that increases profitability.

2.2

On-farm confined feeding

What activities are involved?

- Co-fund on-farm feedlots and confined feeding systems
- Co-fund water infrastructure on-farm to support feedlots. Current water scheme (now out of funds but infrastructure in place) to provide water to support extension of 'backgrounding' sheep for holding on stubbles and paddock feeding to allow for extension of sheep into feedlots for finishing right through to March and April of each year
- The On-farm Emergency Water Infrastructure Rebate Scheme – DCCEEW could support extended sheep backgrounding by helping producers invest in critical water infrastructure, improving resilience during dry conditions and enabling more flexible management of livestock
- Apply existing research for on-farm feedlots including field days, training, and support.

2.3 Increased applied grower knowledge

Increasing applied grower knowledge by learning from other growers about markets, genetics, nutrition and integrated farming systems

By working with grower groups, agricultural consultants and peers to increase knowledge of genetics, nutrition, market information and integrated farming systems, this will increase producers' ability to enhance decision-making and to increase production and quality on-farm. This will help translate cutting-edge research in genetics, nutrition, and integrated farming systems into practical solutions that will work in the WA context. This will boost productivity, sustainability, and competitiveness within the agriculture industry.

What is the objective?

To link producers to the research and supply chain knowledge so that they can consider this in their business, production planning and decision making.

Why is this important?

- Faster uptake of research: encourages quicker adoption of innovative practices, enhancing productivity and profitability.
- Faster market response: enables timely adaptation to overseas market trends, improving trade readiness.
- Data-driven decisions: supports informed use of objective carcass measurement data to improve performance.
- Improved sustainability: knowledge driven solutions help reduce environmental impacts and promote long-term agricultural viability.
- Better industry collaboration: strengthens the connection between research institutions, farmers and the supply chain, fostering continuous knowledge exchange.
- Increased competitiveness: helps farmers stay ahead in the market by adopting the latest practices and technologies.

2.3 Increased applied grower knowledge

What activities are involved?

- Development of all tools and resources to be undertaken in collaboration with key stakeholders (e.g. grower groups, farm consultants, and livestock agents)
- Explore development of applied tools such as software that uses data to support farmers to tailor strategies to their situations and needs
- Place focus on research and development for sustainable farming systems, particularly those that support sheep production – this could be applied through existing channels and initiatives such as the Future Drought Fund.

3.1 Price transparency and market feedback

Increasing market and price transparency across the supply chain

This initiative establishes a structured feedback loop across the supply chain. Processors are connected to the end user market in offshore countries. These market and price signals when shared across the supply chain can enhance supply chain transparency and responsiveness. There is also scope for information to flow from producers to processors to provide early advice on continuity of supply.

This information will particularly be of benefit to growers, stud breeders, and researchers. Information about the market allows more informed decisions to be made to inform breeding, nutrition and market timing decisions.

This measure relates to consumer feedback, pricing feedback, other market feedback, research, development, extension and adoption. Stakeholders include [WA Agricultural Research Collaboration \(WAARC\)](#), Grower Group Alliance (GGA), universities, Department of Primary Industries and Regional Development (DPIRD) and stud breeders.

What is the objective?

To improve the information flow within the system, increasing transparency, product quality and pricing.

Why is this Important?

- Improves breeding and production: by understanding livestock performance and market trends, breeders and growers can fine-tune programs to align with demand.
- Supports research and innovation: researchers can adjust breeding and feeding programs based on market need, ensuring the industry remains competitive.
- Strengthens industry collaboration: encourages cooperation between abattoirs, breeders, growers, and researchers, fostering a mature, transparent and trusted supply chain.
- Provides price signals: transparency in pricing trends helps producers make informed decisions on when and how to sell their livestock.
- Aligns supply with consumer demand: knowledge of shifting market preferences, such as smaller portion sizes or premium meat segments, allows growers to adapt production strategies accordingly.

3.1 Price transparency and market feedback

What activities are involved?

- Develop a centralised digital platform where market and price signals, as well as supply forecasts, can be shared across the supply chain. This includes information from processors, Agora, Western Australia Meat Industry Authority (WAMIA), Meat & Livestock Australia (MLA), Auctions Plus that covers real-time market trends and price reporting, supply forecasting from producers to processors, data analytics for production planning and secure data-sharing agreements between stakeholders. Funding could be allocated to a limited number of farm software providers to implement these features into their software.
- Establish a regular reporting system that consolidates market trends, consumer preferences, and export prices, supported by tailored insights from market analysts. Share findings through accessible dashboards and newsletters for broad industry use. These activities could be undertaken by adding functionality to existing farm software products.
- Educate producers to use supply chain data for better decision-making. This could include workshops on how to interpret price signals and market data, training on breeding and feeding programs based on market trends and demonstrations of digital tools and forecasting models.
- Support applied research to align breeding and nutrition programs with emerging market demands, for example by funding research on how different genetics and feeding strategies impact meat quality and market suitability.
- Use this research to reposition lamb branding based on objective data rather than current dentition rating criteria.

3.2 Objective carcase measurement

Using objective measurement to assess meat quality

This initiative increases the uptake of objective measurement and assessment of sheep meat at abattoirs, to ensure a consistent and transparent approach to grading. This system would provide feedback to producers based on measurable meat quality attributes rather than subjective or arbitrary classification methods. This will allow feedback to be given to growers to inform continuous improvement of meat quality. The recent introduction of electronic identification (eID) provides the opportunity to do this now.

What is the objective?

To provide producers with objective feedback about the quality of their stock from meat processors which will support continuous improvement of the flock.

Why is this Important?

- Meat quality should be assessed based on objective, scientifically validated criteria such as tenderness, marbling, and yield rather than age-based classification systems. This type of feedback has been available in the wool industry for many years.
- Current classification methods, such as dentition-based grading, do not accurately reflect meat quality and can lead to inconsistencies in pricing and market value.
- Implementing objective measurement systems can improve supply chain transparency and provide clear incentives for producers to focus on quality-driven production.
- Objective data will inform continuous improvement of livestock production through breeding and nutrition decisions.
- WA seasonality impacts the finishing window, and objective grading ensures fair market value for sheep finished outside the traditional lamb window.
- Provides an opportunity to diversify sheep meat offerings and appeal to different market segments based on verified eating quality.
- Strengthens connections with consumers by providing data-backed quality assurance, supporting trust and demand for premium sheep meat.

3.2 Objective carcase measurement

What activities are involved?

- Consultation on data to collect and share
- Update abattoir systems to collect and submit additional data to National Livestock Identification System (NLIS) or equivalent using eID tags to provide traceability
- Update NLIS or equivalent to accept new data and provide farmer view of their data
- Work with existing industry software providers to implement stock measurements into their existing platforms
- Develop and deliver training to processors
- Deliver information sessions to producers, livestock agents and other users of the data.

3.3

Forward contracts

Securing forward price contracts gives farmers greater confidence to inform feeding decisions, it ensures fair returns for producers while reducing market volatility

These contracts provide price certainty by locking in rates in advance, protecting farmers, suppliers and abattoirs from unpredictable fluctuations. By fostering transparency and trust, they create a more sustainable and resilient industry, benefitting all stakeholders, from producers to retailers. Processors could be incentivised to adopt forward price contracts in return for assistance funding.

What is the objective?

To build confidence through supply chain and maintain continuity of sheep in WA.

Why is this important?

- Price stability for farmers: forward contracts provide price certainty, reducing financial risk for farmers.
- Stock feeding: with a known price producers can be confident when feeding stock about the economic viability of doing this.
- Encourages long-term investment: a stable pricing system provides confidence to support breeding and investment decisions.
- Transparency: it provides greater transparency in the market.
- Balanced power dynamics: ensures a fair balance between all parties to create a more equitable system.
- Risk distribution: producers currently bear most of the risk as price takers, leading to low confidence in the system. Addressing this imbalance is essential.

3.3

Forward contracts

What activities are involved?

- Consultation with industry
- Develop forward pricing contract (note current forward contracts on the east coast are robust and valid)
- Deliver information sessions to producers, feedlots and processors.

4.1 Shearers as agricultural employment brokers

Repositioning shearing providers and sheep services workforce as agricultural employment providers

This initiative diversifies the shearing providers and the workforce to take on a broader range of employment provision to the agricultural sector. Currently this workforce is focused on the wool industry. Depending on the location, there is scope to use these same providers and the same workforce to support cropping, horticultural, renewable energy and other industries that require a workforce within the region.

What is the objective?

To provide more employment opportunities for those living in rural and regional communities and thereby retain vibrancy of those communities.

Why is this important?

- Continuity of employment: ensures that workers in regional communities have increased continuity of work
- Continuity of contractor businesses: ensures that shearing contracting businesses have a wider range of activities they can support, improving the viability of their businesses
- Opportunity for education: allows shearers and others involved to increase their skills to cater for different employment opportunities.
- Enhances workforce retention: prepares workers for long-term industry roles, increasing job stability and industry expertise.
- Local community: keeps workers in communities which impacts on schools, sports teams, medical services and the overall vibrancy and pride in local communities.
- Continuity through the seasons: provides employment continuity through the seasons to include work required in specific regions such as shearing, crutching, cattle services, seeding, harvesting, feed-lotting, fruit picking, scanning and solar and wind infrastructure maintenance.

4.1 Shearers as agricultural employment brokers

What activities are involved?

Implement program

- Specify as a project and initiate and track progress of implementation. This could include:
 - Business advice grants to individual businesses to design their changes in light of the overall program
 - Access to upskilling programs for employers and employees who are seeking to expand their skills into other areas of agricultural employment. Define certifications required
 - Support with advertising in the community about the repositioning to agricultural employment more broadly
- Pilot immediate elements to support immediate decision-making requirements
- Provide business advice grants to help individual businesses adapt and align with employment program goals
- Longer term implementation to build capacity individuals and businesses.

4.2 Immediate support for trucking industry assistance

Alleviation of impacts on livestock transporters through an assistance package

Introduce an assistance package for the livestock transport sector. Businesses that have made investments in livestock handling are experiencing a devaluation of those investments. They would benefit from assistance to transition to other transport related activities that would require investment. Any assistance with reduction in ongoing expenses would be beneficial. The ability to smooth out fluctuating income across financial years is also sought by industry.

What is the objective?

To meet the immediate needs and transition needs of the livestock transport industry as they transition to a different set of market demands.

Why is it important?

- Supports WA transporters that are affected by the live sheep export phaseout, particularly in the short-term as they manage a reduction in transport contracts.
- Focusing on immediate support for a broader range of impacted stakeholders in the short-term, including individuals, businesses and communities and not just key industry stakeholders.
- Keeps transport businesses and drivers in communities which has a positive impact on schools, sports teams, medical services and the overall vibrancy and pride in local communities.

4.2 Immediate support for trucking industry assistance

What activities are involved?

- Grants for business advice to restructure their livestock transporting businesses
- Matched funding to support capital investments required based on the business advice. This funding would be used to reduce some livestock equipment and reinvest in other types of rural freight.
- Access to [Regional Investment Corporation \(RIC\)](#) loans to allow livestock transport business to invest at reduced interest rates. Funded by the Australian Government, RIC is a national low-interest loan specialist for farm businesses and farm-related small businesses.

4.3 Support for affected communities

Immediate support for most affected communities

Rural communities are very affected by the live animal export phaseout, but they have little capacity to respond. Those that are further away from large centres are the most affected. They need immediate support to restore some confidence in their communities.

Support could take the form of grants allocated through a competitive process. The grant application process would be funded and the higher-ranking proposals would receive grant funding to conduct projects in their communities.

Local governments could play a key part in the process given they have the most knowledge of the needs and wants of their local communities.

What is the objective?

To provide some immediate support to rural communities to assist them to offset some of the impacts from the phaseout of live sheep exports by sea.

Why is it important?

- Rural communities are reliant on sheep and wool service providers who bring income into their towns
- The sheep and wool industry generates significantly more employment per hectare of land than comparable cropping enterprises
- Rural communities are proud of their communities and want them to continue to thrive
- The loss of a small number of households in a rural community can have a big impact on the viability of local schools, health services, sporting clubs and local businesses
- Rural communities, especially those away from larger centres, are heavily influenced by the phaseout but have limited capacity to respond.
- Rural communities play an important role in the social wellbeing of those in surrounding districts
- Without viable local towns, people in the community have to drive very long distances to gain access to services.

4.3 Support for affected communities

What activities are involved?

- Provide a fixed allocation to regional bodies to conduct a study into the impact of reduced sheep numbers on their communities
- Using the outputs of those studies, seek expressions of interest from local governments to identify how they would spend a grant to benefit their community to adjust to changes in the sheep and wool industry in your location
- Assess the expressions of interest through a competitive process, funding the highest ranking proposals with a grant to implement.

Section 6

Conclusion

The broader impact of the phaseout

The co-design process highlighted the deep interconnections between WA's sheep and wool industry and the broader social, economic, and environmental systems it supports. While live sheep exports have accounted for only about 10% of sheep disposals, the phaseout has had significant ripple effects—disturbing supply chain balance, reducing confidence, and disproportionately affecting rural communities that have the least capacity to respond.

Supporting industry through transition

To help the industry navigate this transition, the proposed measures focus on restoring confidence and strengthening communities. A key priority is ensuring the continuity of supply of suitable weight lambs for processors, as shifting towards domestic processing is central to industry adaptation. While processors have confirmed that abattoir capacity is not a limiting factor, lambs need to be available over a longer period. Participants also identified the need for improvements in port productivity and broader supply chain efficiency to further support a competitive and resilient sector. A consistent theme was the need for increased competition in the supply chain.

Two essential tracks of work

Throughout the co-design process, participants identified 2 areas of focus:

1. Immediate support for those most affected

This track addresses the short-term impacts of the phaseout on shearers, road transport operators, and local communities. Targeted assistance is essential to help these groups adapt to changing industry conditions.

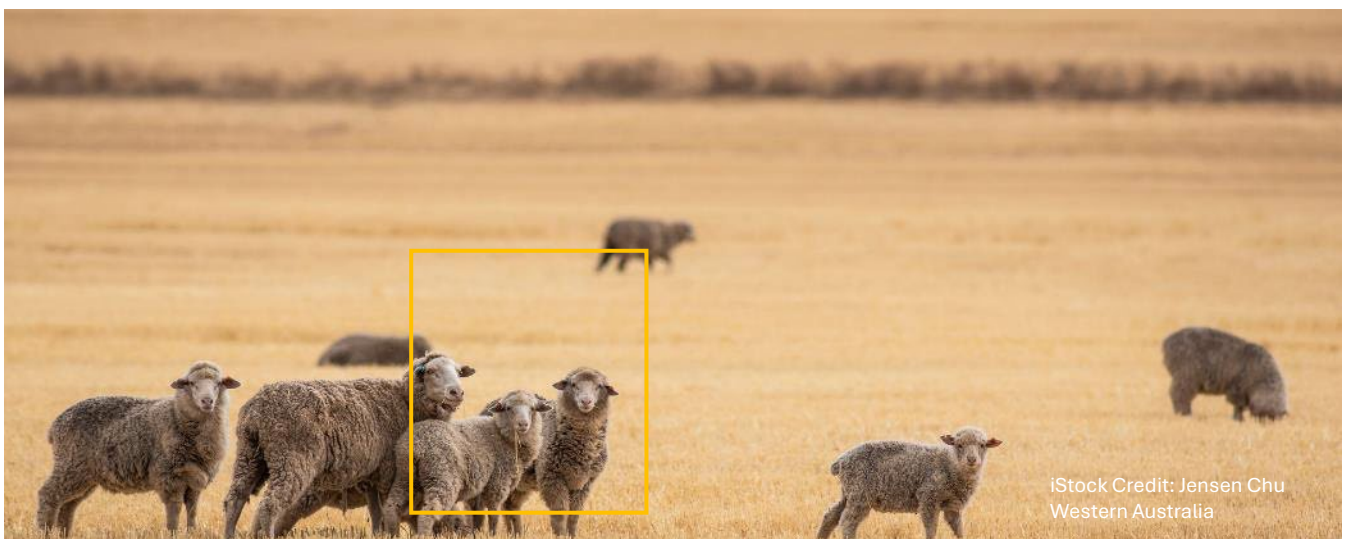
2. Long-term industry transformation

A more strategic effort is needed to position WA's sheep and wool industry for sustained success. This includes:

1. Developing a shared industry vision.
2. Improving the value of Merino wethers, light lambs, and other surplus stock.
3. Enhancing supply chain transparency.
4. Ensuring profitable and equitable market conditions for all participants. Strong competition within the industry is essential to delivering fair market pricing and sustainable opportunities for producers.

Building a sustainable future

These measures will not only help the industry manage the immediate challenges of the phaseout but also lay the foundation for a more resilient and market-responsive sheep and wool sector. Combined with forecast improvements in international demand for lamb and mutton, as well as gradual gains in wool demand, these efforts should see confidence return to WA's sheep and wool industry—ensuring its long-term viability and the sustainability of the rural communities that depend on it.



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