

Wellard Rural Exports Pty Ltd
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RDC Inquiry

Productivity Commission

LB2 Collins Street East

MELBOURNE VIC 8003

Wellard Rural Exports Pty. Ltd.

Submission RDC Inquiry

Wellard Rural Exports Pty Ltd is the trading arm of the Wellard Group an integrated Australian Agribusiness involved in livestock exports, stockfeed production, and mixed farming specializing in the production of grains, legumes and livestock.

Wellard Rural Exports as Australia's largest livestock exporter and ship owner has supplied quality Australian dairy and beef cattle and sheep and goats to the world for 30 years. Based in Fremantle the company's operations cover every aspect of the export chain, including feed milling, road transport, and feedlot facilities throughout Australia and modern shipping to service the export trade.

The company's flagship carrier, the MV Ocean Drover (formally MV Becrux), is a purpose built livestock carrier capable of carrying 75,000 sheep or 18,000 cattle from Australia to major markets around the globe.

The MV Ocean Shearer (formally MV Stella Deneb) can carry 125,000 sheep or 23,000 cattle or a combination of both.

A new, technologically advanced, purpose built vessel, the MV Ocean Swagman sailed on its maiden voyage in January 2010. The Swagman's sister ship, the MV Ocean Outback, is due for launch in mid-late 2010. In August 2008 Wellard and Siba Ships announced a US\$250 million contract to build an additional two new livestock vessels which will be able to carry 17,000 cattle or 70,000 or a combination of the two.


As Australia's largest livestock exporter we are part of an export industry which is a significant contributor to the national and regional economies. In particular it provides thousands of jobs in rural and regional Australia, and earns much needed export income. In 2009 954,153 Australian cattle were exported live, earning export income of \$662 million. Live cattle exports accounted for 11% of total adult cattle turnoff in 2009. Live sheep exports totalled 3,567,609 head, valued at \$323 million. Live sheep exports accounted for just over 10% of total sheep and lamb turnoff in 2009. In addition in 2009, 97,621 goats were exported live valued at over \$11 million.

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We believe that a separate livestock exporter owned company is critical in representing the interest of livestock exporters, and to ensure accountability for expenditure of levy funds we contribute to for research and other activities. The industry has unique research and development requirements focused on Animal Welfare which could not be addressed by an amalgamated RDC which would inevitably be dominated by producer and processor interests.

We believe that the current RDC model with LiveCorp managing the Research and Development interest of the industry is fundamentally sound and that the company through alliances and partnerships with the producer body MLA provides efficiencies while protecting the special interests of the livestock export industry. Experience with an all encompassing AMLC in the past has demonstrated that an amalgamated RDC does not adequately address the interest of the export industry and deliver to stakeholders the benefits of a focused industry body.

We believe that an exporter owned company must remain as a separate entity to ensure accountability to the industry for the expenditure of the levy funds we contribute for research and other activities. Matching government funding for RD&E are appropriate as more than half of R&D funds in the live export industry is spent on animal welfare related issues to address concerns of the Australian public and establishes Australia as a world leader livestock transportation.



S.M. Meerwald
Managing Director

25/6/10