



## **Departmental Statement on Live Animal Exports to the Middle East Senate Estimates –May 2018**

I would like to update the committee on the department's work program with respect to live sheep exports to the Middle East during the northern summer.

The footage provided to the department by Animals Australia on 4 April and shown on *60 Minutes* on 8 April was extremely distressing and is completely at odds with both community expectations and ours as the regulator of live animal exports. This footage showed appalling conditions on a ship on consecutive voyages to the Middle East from May to November 2017.

The department takes any new information about animal welfare concerns very seriously.

When this footage was provided to us, we took immediate steps to provide greater assurance that exporters were meeting their obligations in relation to animal welfare on voyages to the Middle East. I will say more about this later.

In short, in response to the information provided to us, the department is fundamentally changing its approach to regulating the export of live sheep to the Middle East.

### **Our regulatory approach to date**

The department is responsible for regulating the export of livestock from Australia. This means taking into account government policy, the interests of the meat and livestock export industry as a whole and the clear public interest in ensuring that exporters properly manage animal health and welfare on live export voyages.

Up to now, the department's approach to regulating this trade has been based on the following elements:

- A regulatory framework that clearly requires exporters to ensure the health and welfare of animals in their care at every stage of the export chain.
- Approved arrangements whereby exporters are assessed by the department as having systems in place to manage the export chain to achieve health and welfare of animals and meet importing country requirements.
- A requirement by the exporter to outline how they will comply with the Australian Standards for the Export of Livestock (ASEL) before the exporter is granted a licence and an export permit by the department.
- The department issuing further specific conditions on a case by case basis on individual voyages.
- A requirement to have an Australian Government accredited veterinarian on board vessels travelling to, or through, the Middle East. The accredited vet is engaged by the exporter and is responsible for managing and reporting on the health and welfare of animals on the voyage. Their expertise is critical to assess and ensure animal health and welfare during the voyage; provide a daily report to the department; and to provide an end of voyage report within 5 days which must include any additional information about any unexpected animal health or welfare issues.

- The ASEL defines a 2 per cent mortality rate in consignments as the trigger for initiating a review of the preparation and management of sheep during a voyage.
- The requirements that make exporters responsible at end of voyage for achieving specific animal welfare outcomes for exported livestock in the importing country through the Exporter Supply Chain Assurance System (ESCAS).

Vessels must also receive an Australian Certificate for the Carriage of Livestock from the Australian Maritime Safety Authority (AMSA). AMSA performs a range of checks on the vessel to ensure it is seaworthy and appropriate to transport livestock before issuing a certificate.

### **Shortcomings in the current regulatory approach**

There are a few observations we would like to make about the evidence provided to us by Animals Australia, which in turn was the basis of the TV footage. The first is that this was the first time we had seen evidence of this nature. Secondly, apart from the emotional response we shared with others, it was immediately obvious to us that it revealed deficiencies in our regulatory approach. Until that point we had seen gradually falling mortality and ESCAS breach rates as an indication that the performance of this trade had been improving over time.

The information provided by Animals Australia clearly demonstrated a number of shortcomings in the department's reliance on key performance indicators.

The system relies on exporters and accredited vets reporting on conditions and outcomes of voyages. In this instance the information provided to the department did not indicate animal welfare conditions on the voyage that would have warranted further regulatory action at the time. The vets' reports did not convey the extent of the problems on Awassi in August 2017 or on other voyages between May and November 2017. Clearly these reports were inadequate.

The footage of horrific animal welfare conditions experienced by sheep on the 2017 voyages has exposed the inadequacy of mortality as the predominant measure of welfare in our regulatory approach, in the Heat Stress Risk Assessment model used by industry, and as a trigger - above the 2 per cent threshold - for further investigation by the department.

The application of the current model for calculating stocking densities given the risk of heat stress events and the characteristics of vessels, is clearly not working as intended.

Importantly, the footage from the Awassi voyages also clearly identified that the department had insufficient means of assuring itself of exporter compliance with regulatory obligations while livestock were on the water. The ESCAS system only applies from the point of unloading.

Lastly, the experience has identified limitations in the regulatory framework within which the department operates, including the lack of compliance tools available to us as a regulator.

### **Actions taken to date**

As noted at the outset, the department took immediate action on receiving the footage from Animals Australia.

The department is conducting investigations to determine if there have been breaches to the *Australian Meat and Live-stock Industry Act 1997* (AMLI Act), *Export Control Act 1982* (ECA) or the *Criminal Code Act 1995* (CCA) as it applies to the AMLI Act and ECA.

This includes investigating allegations of overstocking of the vessel, failing to have sufficient food and water available, illness and injury not being treated, and accredited veterinarians and stockman leaving the vessel prior to completion of unloading. A range of witnesses are being questioned and information is being examined.

As the investigation is ongoing, we cannot say more about this at present.

At the request of the Minister, the department has put in place a requirement to have a department vet observing on all voyages to the Middle East. This is in addition to the presence of the accredited vet. The department vet is also able to issue directions as required on the vessel to ensure the welfare of the livestock. These officers have been in daily contact with the department and I can advise that animal welfare has been well managed during the voyages and there have been no notifiable mortality incidents to date. Given the burden of providing staff for this role we are looking at other ways to deliver an independent observer service.

Other conditions the department has imposed on long haul voyages to and through the Middle East include:

- Reduced stocking density by up to 17.5 per cent.
- Requiring the first port of discharge to be Kuwait when traveling to multiple ports in the Middle East, providing greater space for the remaining livestock as they head towards higher humidity ports.

These additional conditions were designed to provide additional assurance that the welfare of sheep on these voyages was being managed while longer term measures were being developed for the industry. Some of these measures have been overtaken by the immediate implementation of some of Dr McCarthy's recommendations.

As announced by Minister Littleproud on 9 April, the department has established a hotline to allow whistleblowers to provide information to the department, which is being followed up as required.

The Minister has made it clear that penalties and sanctions must reflect the seriousness of any offences under the legislation. The Government Bill to amend the current export legislation to significantly strengthen penalties and consequences for exporters and directors of export companies that seek to profit from poor animal welfare practices was introduced into the House this morning.

### **Outcomes from McCarthy Review**

As you know, on 10 April the Government announced a short review to be undertaken by Dr Michael McCarthy into sheep exports to the Middle East during the northern summer. Dr McCarthy provided his report to the Minister on 11 May 2018 which was released along with the department's response on 17 May.

Dr McCarthy consulted with, and received information from, a number of stakeholders. He conducted a peer workshop – which included the Australian Chief Veterinary Officer - based on a draft of his report. The Australian Chief Veterinary Officer has said that the review is sound with appropriate recommendations.

The McCarthy Review has set out a series of recommendations for consideration. These recommendations represent a significant and far reaching shift in the regulatory approach.

The department supports the recommendations made by Dr McCarthy and will be working to progressively implement them, subject to further public consultation and testing of the findings related to heat stress risk assessment. As I've indicated, these recommendations in particular represent a significant and far reaching shift in the regulatory approach.

We intend to make a series of directions and orders aimed at implementing these recommendations. To do this we intend to make decisions under the AMLI Act to put in place conditions on export licences that must be met by exporters. Those conditions will reflect the

new approach to regulation of the industry proposed by Dr McCarthy. Those conditions are intended to manage the risk on upcoming voyages and will be subject to procedural fairness and consultation.

As a regulator, the department is required to make decisions on a considered, reasonable basis and to give affected persons an opportunity to be heard and consulted. In making these decisions, the department will have regard to a wide range of relevant material, including government policy, the review itself, industry views and any information about the health and welfare of animals.

Dr McCarthy's recommendations on how the management of heat stress should feature in risk assessments and flow through to stocking density represents a fundamental shift in the approach to animal welfare on voyages. It is reasonable that this aspect of Dr McCarthy's report is subject to further consideration and consultation with key stakeholders to understand its ramifications and impacts, and to test if the recommended animal welfare outcomes can be achieved through other effective means.

In the meantime, the department will implement immediately an allometric model to determine stocking density. Allometric stocking means stocking that reflects the characteristics of the animals and their behavioural needs given the length of the voyage. This is likely to mean stocking rates of up to 28 per cent less than those defined by ASEL. The notifiable mortality level for sheep exported by sea to the Middle East will be reduced from 2 to 1 per cent. Independent observer veterinarians will also continue to accompany all voyages to the Middle East during the northern summer to provide further assurance on animal welfare and important information to assist the department as it considers Dr McCarthy's recommendations on managing heat stress.

The Department will also continue to work with the Australian Maritime Safety Authority where needed to implement relevant recommendations from the McCarthy report.

### **Concluding Remarks**

The Government has re-affirmed its policy not to ban live animal export during the coming northern summer. Animal welfare remains a critical consideration for the sustainability of this trade. The McCarthy review has provided a sound basis on which to make changes to the regulatory framework based on science and evidence.

In addition, the comprehensive review of the ASEL which commenced in February this year has been fast tracked and will report back at the end of 2018. This review will examine the longer term legislative requirements to ensure animal health and welfare on all voyages.

The department also welcomes the review into the regulatory capability and culture of the department in the regulation of live animal exports. This review was announced by the Minister on 19 April and will be undertaken by Philip Moss, who will make recommendations on improvements to our regulatory and investigative performance. Philip Moss' final report is due to the Minister by 24 August this year.

As the regulator, the department is currently in transition and is working with all relevant stakeholders to increase the welfare outcomes for animals exported.