

2 August 2011

Ms Jeanette Radcliffe  
Committee Secretary  
Senate Rural Affairs and Transport Committee  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

By email: [rat.sen@aph.gov.au](mailto:rat.sen@aph.gov.au)

Dear Ms Radcliffe

**RE: Inquiry into improvements in animal welfare for Australian live export markets**

The NSW Farmers' Association (the Association) is Australia's largest state farming organisation representing the interests of the majority of commercial farm operations throughout the farming community in NSW. The Association also represents the interests of rural and regional communities and the important issues associated with natural resource management and trade. Through its commercial, policy and apolitical lobbying activities, it provides a powerful and positive link between farmers, the Government and the general public.

I am writing to provide the Association's comments to the above mentioned inquiry. The attached submission includes a brief background to the Association, its role in the NSW cattle industry and provides information based upon the terms of reference provided.

The Association would welcome further questions from the Committee.

Yours Sincerely

Matt Brand

Chief Executive Officer



**Submission to the  
Senate Inquiry into improvements in animal welfare for  
Australian live export markets**

**July 2011**

**NSW Farmers' Association  
Level 25, 66 Goulburn Street  
Sydney NSW 2000**

Ph: (02) 8251 1700

Fax: (02) 8251 1750

Email: [emailus@nswfarmers.com.au](mailto:emailus@nswfarmers.com.au)

**Contents**

1 Introduction.....4

2 Background to NSW live exports .....5

3 Terms of reference questions .....6

4 References .....8

5 Appendix.....9

## **1 Introduction**

The NSW Farmers' Association (the Association) is Australia's largest state farming organisation representing the interests of the majority of commercial farm operations throughout the farming community in NSW. The Association also represents the interests of rural and regional communities and the important issues associated with natural resource management and trade. Through its commercial, policy and apolitical lobbying activities, it provides a powerful and positive link between farmers, the Government and the general public.

The Association represents its 10,000 goat, cattle and sheep members in this submission.

Goats, cattle and sheep are exported live from Australia for slaughter. Malaysia remains a key market for live goats accounting for 82% of exports, Kuwait (25%) and Saudi Arabia (24%) are the main markets for live sheep, and Indonesia at 69% is the main market for live cattle. Whilst most live cattle exports are intended for feeding and eventual slaughter, a small number of cattle (between 2 and 11%) are exported for breeding purposes. This submission will focus on the live export of animals specifically for slaughter.

The Association was shocked by the horrific cruelty shown on *4 Corners* on Monday 30 May. Following this report, which showed less than 1% of Indonesian abattoirs, the Federal Government moved to suspend all live exports to Indonesia for up to 6 months. This knee jerk decision continues to penalise a number of Australian families and communities for the actions of a minority. The Association has been working closely with industry groups to resolve this situation. The industry plan of a closed system with identifiable abattoirs that meet international standards is the way forward for the trade so that animals are treated in a humane manner without the complete decimation of an industry. Together with destroying an industry, the suspension of 10,000 cattle a week to Indonesia has put significant downward pressure on domestic cattle prices. It is the impact and role of the live export industry on NSW that will form the basis to this document. Association policy regarding live exports will also be given.

## 2 Background to live exports from New South Wales

Of the 28 million head of cattle in Australia, NSW had close to 6 million head in 2010, making it the second largest cattle producer behind Queensland. The majority of Australian beef produced (2/3rds) is processed and exported to over 100 countries at a value of \$4.1 billion (ABS, 2010). In addition, live cattle exports were valued at \$701 million to Australia in 2009/10. When beef and live exports are combined, Australia is the world's second greatest exporter of beef behind Brazil.

One third of Australia's sheep (around 30 million head) are in NSW. The gross total value of processed Australian sheep and lamb was \$2.6 billion in 2009/10 (ABS, 2010). In addition, live sheep exports were valued at \$298 million to Australia (Livecorp, 2010).

Together, Western Australia and the Northern Territory export 80% of live cattle and Western Australia, 75% of sheep. New South Wales is a major supplier of goats to the live export market but plays a minor role in sheep and cattle live exports (Figure 1). Despite low numbers of cattle and sheep being produced for the live export market, the live trade has an impact on livestock production and prices in NSW (see terms of reference below).

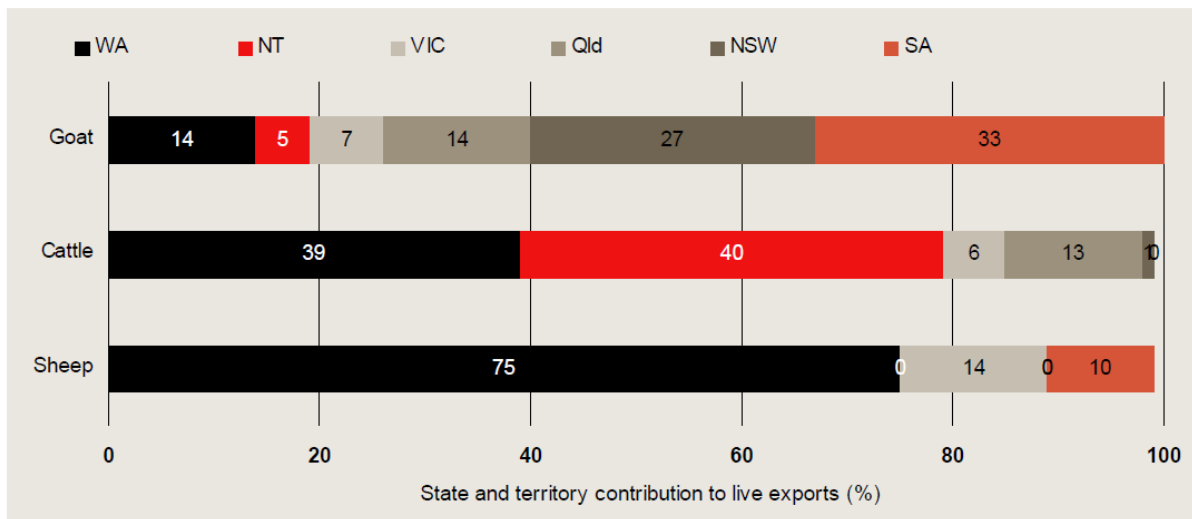


Figure 1. State and territory contributions to live exports period 2005-06 to 2008-09 (Livecorp, 2010).

### **3 Terms of reference**

#### **a. Investigate and report into the role and effectiveness of Government, Meat and Livestock Australia, Livecorp and relevant industry bodies in improving animal welfare standards in Australia's live export markets**

The Association believes that Australian cattle industry involvement in the live export trade has resulted in a significant improvement in animal welfare not just for Australian livestock, but for all animals. In this regard, Australia is one of 109 countries that exports live stock but is the only one that invests money, and has an on-the-ground presence, in export markets to improve animal welfare. It is, however, recognised that further action is required to improve the welfare of Australian cattle at the time of slaughter. Industry has put forward a plan to Government to ensure that controlled supply chains are in place for the welfare of these cattle. In this regard, the Association supports the live export trade to Indonesia under the industry plan, developed by the industry working group, as submitted and agreed to by Australian and Indonesian Governments. Government should also acknowledge that there will be incidences in the future where graphic images of animal slaughter will be presented to the Australian public. In this regard, the process of slaughter by Australian Standards is a graphic one.

The deplorable action of Government interference in the live export trade, without adequate industry consultation, continues to put the welfare of thousands of northern cattle at risk. In this regard, a draft copy of the Australian Bureau of Agricultural and Resource Economics and Sciences survey estimates 176,000 cattle may need extra food and water for up to 4 1/2 months if they are not moved from farms in the north. To prevent such incidences, Government consultation with industry is required before any decisions are made that may affect the live export trade in the future.

The Association is a member of the Cattle Council of Australia, the Sheep Meat Council and the Goat Industry Council of Australia. The Association directs the inquiry to the submissions of these councils. Also, Association policy regarding animal welfare and live exports is provided in the Appendix.

**b. Investigate and report on the domestic economic impact of the live export trade within Australia including:**

**The impact and role of the industry on local livestock production and price and impact on regional and remote employment especially in northern Australia**

Despite live animals for slaughter being sourced predominantly from Western Australia and the Northern Territory, data from the Centre for International Economics (CIE, 2011) highlights the value of the trade to other states. As a national average across Australia, it is estimated that the live trade contributes 4 per cent or 8 cents per kilogram liveweight to grass fed cattle; 8 per cent or 12 cents per kilogram to the price of lambs and 18 per cent or 15 cents per kilogram to the price of older sheep. The same source reports that the live export trade has improved regional economies in Western Australia, Western Queensland and the Northern Territory. Higher on-farm returns and increased producer spending have had flow on effects to local communities and local employment. In this regard, the draft of the ABARES study reveals that already 99 jobs have been lost in WA, 162 in the Northern Territory and 64 in Queensland since the announcement of the suspension of the live cattle trade. DAFF also reported that the live export sector underpinned the employment of around 10 000 people in rural and regional Australia in 2009.

**The impact on the processing of live stock within Australia.**

Boxed (processed within Australia) red meat and live cattle serve differing markets. Although some of the live cattle, goat and sheep trade could presumably be processed within Australia, limitations such as the lack of electricity, refrigeration and infrastructure in the aforementioned markets make the export of boxed meat impractical.

There are also limitations regarding Australian processing facilities to consider. There are no operating processing facilities in the Northern Territory due to the lack of skilled labour and the highly seasonal nature of the cattle turnoff. The majority of cattle would subsequently need to be transported south to Queensland for fattening in feedlots or on pasture before slaughter with associated costs. From the CIE report, sheep processing capacity in WA is currently considered to be around 6 million. Without the live export trade, 8 million sheep are required to be processed annually leaving a deficit of 2 million suggesting that large investments in infrastructure, at a cost ultimately to farmers, would be required without the trade.

#### **4. References**

Australian Bureau of Statistics (ABS) 2010. Value of agricultural commodities produced. Cat. no. 7503.0, ABS, Canberra.

Centre for International Economics (CIE) Report 2011. *Review of the contribution of the Australian live export industry*, Prepared for LiveCorp and Meat and Livestock Australia, March.

LiveCorp 2010. *Statistics*, North Sydney,

[http://www.livecorp.com.au/Facts\\_and\\_Stats/Statistics/Sheep.aspx](http://www.livecorp.com.au/Facts_and_Stats/Statistics/Sheep.aspx) . Accessed July 2010.



## 5. Appendix

The year in which Association live export policy was implemented (**bold**) and the respective policy is below.

**1994** That the Association seeks that, in relation to livestock exports:

- (a) Exporters should be urged to change their buying policy such that live sheep to be exported are purchased ex-farm.
- (b) Facilities should be established at Port Kembla for the export of live sheep.
- (c) The MLA whilst fostering the premium trade in live lambs and hoggets should make concerted efforts to maintain a very large trade in merino wethers.
- (d) Traders in live sheep should be encouraged to pay an appropriate premium to producers who are willing to put a greater effort into the standard of product and possibly the pre-conditioning of sheep.
- (e) There should be further research into all forms of stress alleviation and management of live sheep for export.
- (f) The live sheep trade should not be phased out on welfare grounds.
- (g) All agencies involved in the live sheep trade should improve efforts to collect and collate statistics from commercial live sheep operators and publish data regularly for the benefit of the industry.
- (h) The various Codes of Practice adopted for the transport, handling and sheltering of sheep destined for export from Australia is supported.
- (i) The MLA should investigate the total structure of marketing live sheep mutton and lamb export trade to prevent the continuation of exporters undercutting each other to the detriment of producers.
- (j) The Association opposes the export of live sheep from Darwin and Wyndham to prevent the possible contraction of Bluetongue virus by these sheep.

**1999** That the Association call for a total QA program from farm gate to port of destination audited by independent third party auditors in regard to live cattle exports.

**2003** That the Association seek that the Cattle Council of Australia and the Sheepmeat Council of Australia, due to the importance of continuing the live export of sheep and cattle from Australia, urgently demand:

- (a) AQIS take interim control of the standard administration for live exports, in the event of the regulators threatening to ban live exports.
- (b) That the Standards Body as outlined (in version 21 August 2003) be adopted as the new body for live export standard administration and compliance, subject to agreement on representation numbers and agreement on funding.
- (c) Peak Councils and MLA urgently determine an improved communication approach to ensure people understand the issue more fully.

**2004** That the Association support the continuation of the livestock export trade, and in particular:

- a) support the 8 recommendations of the Keniry review except for recommendation 6 on the seasonal closure of ports such as Portland and Adelaide which should be amended such that export is based on individual shipment risk assessments;
- b) express concern with the lack of government consultation with industry during the Cormo Express incident and insist that appropriate consultation occur in any future incidents.

**2011** That the Association supports the live export trade to Indonesia under the industry plan, developed by the industry working group, as submitted and agreed to by Australian and Indonesian Governments.

**2011** That the Association express its dissatisfaction at the deplorable action of Government interference in the live export trade without adequate industry consultation, and that the Association lobby for the Government to consult with industry before any decisions are made on the live export trade.