

Senate Standing Committees on Rural Affairs and Transport
Animal Welfare Standards in Australia's Live Export Markets

Submission

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Wellard Rural Exports Pty Ltd

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The Wellard Group and Wellard Rural Exports Pty Ltd Specifically have demonstrated a long standing commitment to the live export trade over the last 32 years and to its ongoing development. This commitment extends from farm gate to point of slaughter. Through a vertically integrated supply chain we have been at the forefront in developing infrastructure to enhance animal welfare and commercial outcomes in Australia, at sea and in market. This has been at considerable financial risk and cost but in our view, is a non-negotiable requirement to ensure that the international transport and trade in livestock can continue on sustainable and demonstrably sound welfare grounds in the long term.

Regulation – The industry in Australia and for vessels that trade from Australia is highly regulated. There have been illusions of “self-regulation” but in fact the trade has always and should continue to be regulated by the Australian Government through the agencies of AQIS and AMSA. Regrettably, due to the “sensitivity” of issues surrounding the trade, the regulatory focus has been directed towards an ever more onerous paper trail and complex approval process with little effort or resource being devoted to field personnel, where outcomes are determined. In fact the lack of trust, or at least the perception of a lack of trust, has resulted in AQIS SLEVO and field personnel having become less effective in terms of influencing outcomes than was and should be the case. Despite this the industry maintains a healthy and respected working relationship with all AQIS field personnel who make every effort, sometimes at great personal cost, to ensure the very best health and welfare outcomes for all live export consignments.

Every consignment of livestock exported from Australia is accompanied by an export permit and health certificate which are issued only after a full and complete audit of process and practice by the exporter, the exporters 3rd party accredited veterinarian and an AQIS SLEVO. There are no exceptions and there are no “self-regulated” consignments and there never have been as AQIS have always provided this overriding compliance /audit role.

In our opinion there is much that could be gained in terms of more favourable health and welfare outcomes through a less onerous documentary/approval process combined with allowing existing field staff more responsibility and autonomy in their engagement with export consignments.

Our investment in property, ships and people dedicated to excellence in livestock exports is second to none. We are passionate about our industry and proud of our achievements. This Review provides us with the opportunity to assist this Review come to conclusions that will allow the industry to continue to provide competition in the Australian domestic livestock market, sustain and create employment and business opportunities in remote and regional Australia and build cultural, trade and economic relationships in countries around the world. Terms Of Reference

- 1.a) *The level, nature and effectiveness of expenditure to promote or improve animal welfare standards with respect to all Australian live export market countries;*

Industry organisations (MLA and Livecorp) will provide details of the level and nature of expenditure in market. Wellard can comment on the effectiveness of such expenditure given our direct involvement in market over some 32 years of exporting Australian livestock to world markets.

There are many challenges in driving animal handling and welfare reforms. This is particularly the case in overseas markets where cultural, social and religious structures are not conducive to animal welfare being a priority. Over the last 20 years particularly the industry has achieved animal welfare reforms in all markets, in some cases industry programs have achieved reforms to the extent that market operate to or substantially to acceptable standards i.e. Egypt and UAE. In others substantial reforms have been achieved but there are still areas that require more resources and training i.e. Qatar, Bahrain, Kuwait, Jordan. Yet other markets

require substantial continued investment in reform. Even where reform has been less than what industry would have like to have achieved considerable awareness to our standards and the need to be moving towards achieving them has been made.

Progress in all substantial and consistent markets has been well documented and reported to industry and government on a regular basis as part of the ongoing reporting requirements of the service delivery agencies, Meat & Livestock Australia and Livecorp through their joint program. Over the last 20 years many Federal, State and Territory Ministerial, Parliamentary and Departmental delegations have travelled to importing countries specifically to discuss and view in market supply chains so have had the opportunity to make their own assessments.

To this extent we propose that whilst there is always the opportunity to do more the effectiveness of the existing programs is quantifiable, is significant and industry programs are making a difference to animal welfare standards for Australian and other origin livestock in all markets.

- i) *Expenditure and efforts on marketing and promoting live export to Australian producers.*
Wellard can only comment that promotion of live export to Australian producers is best carried out by exporters through their competitive activity in the livestock markets around Australia and in the main this is the case.
- ii) *Ongoing monitoring of the subscription to, and practice of, animal welfare standards in all live export market countries.*

The MLA and Livecorp joint program have a substantial review and performance assessment of most markets. In the last several years the opportunities to market Australian livestock, breeding, feeder and slaughter, to new countries has expanded significantly. Whilst long term markets (MENA, Indonesia etc) have had substantial review and program development, new markets present the challenge of more resources in more destination countries. This will require additional resources to service fully such that our influence on animal welfare outcomes can continue enhance the animal welfare of production animals in all markets.

- iii) *Actions to improve animal welfare outcomes in all other live export markets and the evidence base for these actions.*

Apart from industry programs Wellard has engaged in our own in market programs for animal welfare improvements for many years. These range from

- placing experienced personnel in market to enhance training
- bringing personnel to Australia to enhance their skills and training
- providing equipment, yards, races, crushes, trailers etc
- assisting importers in refurbishment of facilities
- operating our own in market feedlots and facilities in Oman and Saudi Arabia

- b) *The extent of knowledge of animal welfare practices in Australia's live export markets including:*
 - i) *formal and informal monitoring and reporting structures*
 - ii) *formal and informal processes for reporting and addressing poor animal welfare practices.*

Wellard make a point of engaging with all of our customers in all of our markets, the extent of this involvement varies depending on the nature and extent of each customer in each market. Where more in market assistance is required it is provided through industry programs or our

own resources. This allows us to have a good understanding of the outcomes in market without imposing on our clients or intimidating them. It is our experience that there is much to be gained through consistent effective communication and engagement as opposed to mandated and onerous reporting.

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

a) *Impact on regional and remote employment especially in Northern Australia*

In the month the ban on export to Indonesia was in place there was significant and substantial coverage of the value impact of the live trade in remote and regional Australia. There have been a number of studies undertaken on the value of the live export trade, mostly these have been refuted as biased and inflated however we would contend that recent events have evidenced that if anything the assumptions have been conservative and the value of the trade and its direct flow on effects are even greater than the assessments indicated, including employment. (Ref Hassel report on the value of the trade)

b) *Impact and role of the industry on local livestock production and prices*

A recent study (D Quirk, Centre for International Economics) has determined that the value of the live cattle trade to the entire Australian live cattle industry is a factor of 8.7 cents per kg on every animal sold.

In the last 20 years, as live export from northern Australia has grown production methods have been changed as producers move to run more breeders (females) and turn off more younger cattle sooner than would otherwise be the case. This has significantly enhanced the productivity and profitability of northern cattle producers. Sheep producers in the South of Australia have benefited from the strong competitiveness nature of the demand for sheep for live export the last 3 decades. It is our belief that without such competition sheep numbers in southern Australia would be even lower than what is currently the case as more producers would have opted out of sheep production sooner due to the low prices through stifled competition.

c) *Impact on the processing of livestock within Australia.*

We can only contend that the competition that a strong and resilient live export industry creates enhances the profitability of Australian producers allowing them to continue to breed livestock and to expand their activities. The more profitable they are the more livestock that will be available to be marketed to the broader industry including processors, exporters, feedlotters and other producers. Conversely the argument could be made that by prohibiting exports and limiting competition for livestock producers would effectively be subsidising the processing sector through reduced livestock returns. It is our view that a strong and open market for livestock is to everyone's advantage.

3) *Other related matters.*

Wellard submit that the industry has proven to be adaptable, professional and a valuable contributor to the Australian economy, particularly in remote and regional Australia.

The industry has evidenced its commitment to best practice and good animal welfare outcomes in every aspect of the trade that falls within its control and in many cases has influenced significantly improved outcomes beyond its direct control.

The continuation of these influences “downstream” is the obvious next step and this is achievable providing ongoing animal welfare benefits in market for Australian and other origin livestock on an ongoing basis.

Wellard have previously submitted proposals for management and control of facilities in market to ensure the integrity of welfare outcomes and to deliver the complimentary commercial benefits that we believe go hand in hand with good welfare outcomes.

Wellard has also conducted our own in house ship crew stockman training program. We have had 24 Filipino crew in Australia, in small groups (2-4 at a time) for periods of about 3 months delivering full time animal health and welfare training on site (at our pre export facilities). These stockmen have participated in low stress stock handling courses, Accredited Stockman training courses where possible and have undertaken field visits to develop a better understanding of our industry, animal production, health and welfare.

Wellard is strongly committed to a professional and sustainable livestock export industry. We have substantial investments in dedicated infrastructure to support these objectives. A presentation of our supply chain infrastructures is attached. (Attach A)

Wellard engaged Dr Leisha Hewitt an animal welfare specialist from Bristol and Murdoch Universities to conduct an animal welfare audit on our supply chain. As a result of this we are further developing the findings of this work into a Governance and Operations Manual for our export business.

Wellard has invested in modern, purpose built shipping to ensure we carry our delicate cargos in the safest possible way. We continue to believe that there should be no compromise in the standard of shipping that is approved for the carriage of livestock and that Australia’s high standards should be internationally enforced through the International Maritime Organisation (IMO). With USD 150 million invested in 4 vessels, 3 of which are custom built to specifically service the live trade, Wellard have set new standards for the international carriage of livestock. Our flag ship vessel, MV Ocean Drover (formally MV Becrux) was the subject of Discovery Channel documentary in the Mighty Ships series with an “access all areas” pass for the film crew from loading, through the sea passage to discharge in Indonesia.

Any changes to the current policy and expectations need to take into account and understand the balance of:

- Economic imperative of companies involved across the supply chain
- Market demand characteristics in diverse and variable economic and cultural environments
- The combined need of both of the above to have a high quality, reliable, long term and cost effective supply chain.
- Competitive pressures – what is the consequence of imposing standards that are not practical or acceptable?

Timing – what might not be achievable today might be achievable tomorrow. Each market and supply chain will have different pressure points on timing of outcomes. Sensitivity to this will provide opportunity to maximise animal welfare and economic achievements