

14 July 2011

Committee Secretary
Senate Standing Committees on Rural Affairs and Transport
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Committee Secretary

I am writing to make a Submission to the Inquiry by the Senate Standing Committee on Rural Affairs and Transport into "*Animal welfare standards in Australia's live export markets*" and "*Related Private Senators' Bills*".

2. I do so in my capacity as a private citizen. I am a retired Federal public servant with over 30 years of service including diplomatic postings in Asia and Africa. I have relied on my experience of government and public sources to produce this Submission. Its focus is on the role of Government.

3. I acknowledge with gratitude material published by Animals Australia and the RSPCA and the chapter on *Live Export of Animals* by Dr Malcolm Caulfield in "*Animal Law in Australasia*".

4. I have provided my comments under individual elements of the Inquiry's Terms of Reference.

Summary

5. Animal welfare is the humane care and concern for animals. The live export trade is its antithesis. A trade that transports livestock to markets causing massive death rates on route and delivering animals to cruelty and barbaric slaughter at their destination is inhumane. Practices in this trade are illegal in Australia and unacceptable to the wider Australian community. There is a fundamental conflict for the Australian Government between its stated support for animal welfare and support for this trade. The Australian Parliament should respond to the Australian community and recommend a permanent end to the trade and restructuring to allow a more vigorous export industry in chilled and frozen meat, with slaughter of animals in Australia under humane conditions.

Terms of Reference

1. 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; including

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

6. According to the Department of Agriculture, Fisheries and Forestry (DAFF) website *“Australia leads the world in animal welfare practices. The Australian Government does not tolerate cruelty towards animals and will not compromise on animal welfare standards. Our ongoing involvement in the livestock export trade provides an opportunity to influence animal welfare conditions in importing countries”*. These claims are not, however, supported by the evidence.

Minimal expenditure on animal welfare

7. Australia is the world largest exporter of live animals. Given the scale of the trade, its known welfare problems and the Australian Government’s stated commitment to animal welfare, it would be reasonable to expect significant Federal government expenditure on promoting, improving and monitoring animal welfare in Australia’s live export markets.

8. However, current Federal government funding for animal welfare in live export markets is minimal. Taking a pro-rata of Federal government expenditure under DAFF’s “Live Trade Animal Welfare Partnership” for 2009-2010 (actual expenditure is difficult to find) against an estimated trade value of \$2b for the two years (2011 figures are not final), Federal government expenditure on animal welfare amounts to a mere 0.053% of the value of the trade.

9. In addition, “Partnership” funds may be also spent on *“other assistance as appropriate to advance the bilateral agricultural relationship with importing countries with regard to the trade in livestock”* and consultants may be paid up to \$1000 per day. To the extent that “other assistance” and large consultants’ fees do not directly contribute to promoting/improving animal welfare, government expenditure through the “Partnership” on animal welfare becomes even more minimal.

Nature of expenditure highly questionable and some counterproductive

10. Most “Partnership” funds seem to have been or are to be spent on infrastructure and training. However some of this expenditure has actually produced terrible harm to the welfare of Australian animals. “Restraint boxes” installed and maintained under the program have been described by the Australian Beef Association as “barbaric” and strongly condemned by prominent international cattle experts. Did consultants get paid \$1000 per day to recommend and promote these instruments of torture? Australian-approved training of Indonesian slaughterers to rope the legs of animals in the “restraint boxes” to help bring them down, slamming them against a concrete surface and to hose struggling and frightened animals once they hit a concrete surface and while they are being slaughtered is completely abhorrent. It is also directly contrary to the standards of the World Organization for Animal Health (OIE) of which Australia and Indonesia are both member countries.

11. Given the claim that *“The Australian Government does not tolerate cruelty towards animals”*, there should now be an independent public inquiry involving Australian animal welfare agencies on the welfare impact of all taxpayer-funded equipment, modifications and training in all markets. Those who designed, installed, maintained and monitored the “restraint boxes” and provided associated training should be publicly identified and made publicly accountable.

12. As for stunning, although this is a fundamental animal welfare requirement in Australia, and despite the commitment that the Australian Government “*will not compromise on animal welfare standards*”, there is no identifiable expenditure under the “Partnership” program on stunning procedures or equipment for Australian animals in overseas markets. This is indefensible.

Government expenditure on animal welfare is utterly ineffective

13. Powerful visual evidence produced by animal welfare agencies has demonstrated that Australian government/industry expenditure has not encouraged improvements in local practices and that Australian animals continue to endure enormous suffering in Australia’s live export markets.

14. The \$550,000 of “Partnership” funds spent in Indonesia clearly has not changed widely-used “traditional” slaughter practices in its 700 slaughterhouses. The stark evidence in video footage filmed by Animals Australia in randomly selected slaughterhouses in Indonesia, and aired on *Four Corners*, showed torture of Australian cattle - including eye gouging of cattle, breaking their tails, smashing their legs and tendons, bashing them with chains and kicking them. Worse still, Australian so-called “improvements”, partly funded by Australian taxpayers, made cruelty worse, causing inexcusable brutality and the infliction of further suffering.

15. “Partnership” funding was also used to produce an “independent” report in 2010 on animal welfare in Indonesia that stated animal welfare conditions were “generally good”. Given the evidence in the *Four Corners* program, there should be serious questions asked whether those who produced the report were competent to produce a report on animal welfare, or had a conflict of interest. Were the authors independent of the industry bodies that clearly knew about these dreadful conditions and were keen to keep these hidden?

16. The \$1.255m of “Partnership” funding for the Middle East, including Kuwait, has also had no discernible beneficial local impact. Footage filmed by Animals Australia in 2010 in Kuwait, that showed Australian sheep stuffed into car boots, tied to the top of cars, their legs trussed and broken, dragged through the streets, being slaughtered by untrained amateurs in backstreets running with blood, vividly demonstrates the ineffectiveness of such expenditure. It is also self-evident that infrastructure and training can have absolutely no effect when, as in Kuwait, Australian animals are released to private individuals to slaughter as they choose.

17. Far from bringing improvements in local practices, animal welfare agencies report that the continued export of Australian live animals to known cruelty simply reinforces local views that Australians do not care about the welfare of animals sent to these markets.

Government “efforts” relating to animal welfare have also been ineffective

Minimalist MOUs

18. According to the DAFF website, Australia has negotiated Memorandums of Understanding (MOUs) with a number of countries to “*allow us to help our trading partners improve post arrival handling and slaughter through cooperative activities based around improving animal welfare*”

19. An MOU is no more than a statement of intent. It does not have treaty status. Australia cannot enforce MOU provisions in overseas jurisdictions. A breach in an overseas jurisdiction cannot be prosecuted by Australia in that jurisdiction.

20. According to the DAFF website, 10 MOUs have been signed. However there are over 30 markets to which Australia exports livestock for slaughter. None of these MOUs have been made public and their exact provisions are unknown. In 2007 I was denied a request for a copy of the MOU with Egypt. The reason given by DAFF for refusal was the attitude of the Egyptian Government. The failure to release MOUs on the grounds that the other parties do not want them released, demonstrates self-interested timidity on the part of the Australian Government. If it had the commitment to animal welfare that it claims, it should have made clear to other governments at the time of negotiations that, given clear public interest in the issues, the Australian Government would make the MOUs publicly accessible. In the interests of transparency all these longstanding MOUs should now be made available to the Parliament and the Australian public.

21. It appears, from public sources, that with the exception of the MOU with Egypt, these MOUs are limited in scope to the unloading of livestock in circumstances where livestock would otherwise be left suffering on vessels and do not address post-arrival handling up to and including slaughter. They do not, as DAFF claims on its website, cover “*post arrival handling and slaughter*” and with such scope would have no impact on improving animal welfare practices across export markets.

22. As for breaches of the MOUs, given their apparently limited scope, cruelty in the handling of Australian animals either on-shore or at slaughter would not constitute a breach. The Australian Government’s stated claim that it “*does not tolerate cruelty towards animals*” has thus not been addressed in live export markets through these MOUs.

No standard requirement by Australia for market countries to comply with OIE standards

23. Australia does require membership of the OIE or compliance with OIE standards on the slaughter of animals for all export of Australian live animals for slaughter. According to evidence at a Senate hearing on 26 May 2008 Australia tries to “encourage” countries to meet OIE standards. That this “encouragement” has clearly failed was proven in Animals Australia video evidence about the treatment of Australian cattle in Indonesia where the brutal practices used are specifically identified and absolutely prohibited by the OIE’s *Terrestrial Animal Health Code, Chapter 7.5: Slaughter of Animals*. “Encouragement” also carries no practical weight while Australia does not require compliance with OIE standards as a basic condition for exports.

New requirements for Indonesia without teeth

24. The Australian MOU with Egypt and the new Export Order for Indonesia require identified facilities to meet OIE standards. However, the hastily arranged and recently promulgated Order for Indonesia designed to “fix” a political problem for the government, has absolutely no teeth. It does no more than require exporters to have in place unspecified “arrangements”, in accordance with “relevant”, but not explicitly specified, OIE standards. The OIE standards themselves are not described

in the Order as “standards” but only as “recommendations”, giving these no legal weight. This leaves open the argument that, as “recommendations”, there is no legal requirement on exporters for “compliance”. The weaker description has been used even though the OIE describes itself as a “standards-setting” international organization and its welfare standards for the transport of animals by land, sea and air and their slaughter are explicitly described by the OIE as “standards”. If OIE “standards” are also to be treated by Indonesia as nothing more than “recommendations”, it is unlikely that there will be Indonesian legislation that can require “compliance” with them or that would impose penalties for breaches. If OIE standards cannot be enforced and breaches cannot be prosecuted by the Australian Government or the Indonesian Government the new Export Orders will offer no protection from cruelty for Australian animals.

25. In addition, neither the Order nor the Ministerial media release indicate which organizations will provide ongoing monitoring of OIE standards, how they will be monitored, any role for Australian officials or Australian animal welfare agencies in the process, how frequently monitoring will take place or even what assessment of slaughter facilities will be undertaken and by whom before trade begins. Clearly monitoring by self-interested industry bodies that have proven they cannot be trusted would be completely without credibility.

Export Orders do not require stunning

26. It is completely indefensible that Export Control Orders issued by the Australian Government do not require pre-slaughter stunning, a fundamental animal welfare practice for humane slaughter. In the case of Indonesia, the media statement issued on 8 July 2011 by Meat and Livestock Australia and the Indonesian Beef Producers and Lot Feeder Association is no more than a statement of intent and does not make stunning a mandatory requirement. Pre-slaughter stunning can only be guaranteed by making it a mandatory requirement of the Australian Export Order.

No evidence of government action to prosecute known cruelty

27. Despite overwhelming evidence of animal cruelty there is no public evidence that Australian governments have sought to persuade other governments to prosecute animal cruelty committed in overseas markets and there have been no prosecutions in Australia of exporters for such cruelty as Exports Orders do not allow for this. While new Orders for Indonesia go beyond those in other markets by imposing responsibilities on exporters up to and including slaughter, no Orders allow for prosecutions of exporters in Australia for cruelty committed in markets. Since Australian exporters cannot be prosecuted and importers take a very different view of animal welfare, animals in live export markets remain exposed to practices that are cruel and illegal in Australia and for which, it seems, no one can or will be prosecuted.

New Zealand sets a better example

28. The Australian approach contrasts sharply with that in New Zealand where in 2007 new regulations were promulgated that required:

- export for slaughter to be in commercial abattoirs;

- the importer country to have requirements that meet OIE standards for slaughter;
- cattle exported for slaughter to be pre-stunned; and
- a pre-shipment audit of abattoir facilities by inspectors nominated by the relevant government department and carried out at the exporters' expense.

There is also a requirement that New Zealand animals shipped to markets overseas must be accompanied by a veterinarian and a stockman. The requirements have effectively seen the end of the trade for slaughter while the trade for breeding continues under strict conditions.

Cruelty on route to markets

29. Australian animals also suffer on ships on route to markets and a staggering two million animals have died on route to their intended markets. Breaches of the ASEL standards, themselves only minimal industry-approved standards, are a criminal offence. Despite breaches being commonplace and despite these resulting in heavy loss of animal life on board ships, it is my understanding that, extraordinarily, AQIS has never launched any criminal prosecution. Instead the AQIS modus operandi is to apply conditions to subsequent shipments and, in the event of further "unacceptable" breaches, to apply more audits. The pathetic failure by AQIS to institute criminal proceedings sends a clear message to exporters that they can expect no serious penalty for animal welfare breaches. The Australian Government should be held accountable for this failure.

30. The monitoring of welfare conditions on ships is grossly inadequate because veterinarians are engaged in a manner that gives them an inescapable conflict of interest. Although veterinarians on the vessels may (subject to the discretion of the Secretary of DAFF) be accredited by AQIS, they are employed by exporters. Anecdotal evidence is that veterinarians cannot readily report breaches as they fear they will lose their jobs. Some have left such positions in disgust at what they have been required to do. Advice from animal welfare agencies is that animal suffering due to starvation (from unfamiliar food), diseases (including pink eye), lameness, blindness, diarrhoea, dehydration and extreme heat stress, is commonplace and frequently not reported. By not requiring veterinarians on ships to be directly contracted and accountable to AQIS (as recommended in the 2003 Keniry Report), the Australian Government has deliberately prevented transparency about conditions and practices on ships and emasculated AQIS' ability to do better.

31. In addition, mortality figures on voyages regarded by AQIS as "acceptable" are highly questionable. These are well above – sometimes double - those considered acceptable on farms in Australia. The long distance transport of animals on these voyages does not make greater mortality any more "acceptable".

i) Expenditure and efforts on marketing and promoting live export to Australian producers;

32. Most direct costs of marketing borne by the government would be handled DAFF and include the cost of DAFF staff and resources. The production of major research papers on live exports, such as ABARE papers, would also fall into this general category. There may also have been expenditure through Austrade's Export Market Development Grants scheme or credit support through EFIC, which

would constitute an effective government subsidy to the live export trade. This information is not readily available in the public domain.

ii) Ongoing monitoring of the subscription to, and practise of, animal welfare standards in all live export market countries;

33. There is no indication from public sources that DAFF conducts monitoring of country-based animal welfare standards. Most live export markets are in countries with few or no protections for animal welfare. Iran and Iraq, two countries which, according to Animals Australia, may be on the industry's list of prospective markets and for which MOUs may be under negotiation, are not likely to have any relevant standards. If live exports to these additional markets are indeed industry's intention, this would be outrageous and should not be allowed to happen.

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

34. There is no readily available information on this.

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.

35. It would appear that the Australian Government does not monitor whether countries to which Australia sends live animals meet OIE standards, nor does the OIE, and no information is readily available about country-specific legislation and standards that technically apply in these (mostly developing country) markets. Certainly no such information appears on the DAFF website.

36. If reporting on animal welfare does occur, cruelty is not admitted until exposed by the voluntary animal welfare agencies. As for addressing "poor animal welfare practices", despite the regular exposures of cruelty to Australian animals in these markets, it would seem that no citizen of another country has been prosecuted in a local court and no Australian in an Australian court for cruelty towards Australian animals in Australia's live export markets.

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;***
- b) Impact and role of the industry on local livestock production and prices;***
- c) Impact on the processing of live stock within Australia.***

A lowest value trade

37. The Hon. Jim Anderton MP former Minister for Agriculture and Deputy Prime Minister of New Zealand (*ABC Radio National, Saturday Extra, 18 June 2011*) has described live export for slaughter as the lowest level of commodity export. He noted the trade adds no value and ships jobs offshore. It can

also damage a country's reputation and brand for its agricultural products in other marketplaces. The New Zealand Government and industry effectively abandoned the trade in 2007 and Mr Anderton advised this was to New Zealand's benefit.

Government/industry claims

38. The live export industry and DAFF have made various claims about jobs that rely directly or indirectly on the trade and would be lost if it stopped. DAFF claims this number to be 10,000. The live export industry claims 13,000. No empirical evidence has been produced to support the claims of job losses that would be entirely reliant on the live export industry, or assessment of how many jobs that now rely on the live export trade would remain if the industry was converted to meat-only exports.

Massive processing industry job losses as a result of the trade

39. Fundamentally, the live export trade ships jobs offshore. Large agribusinesses in the live trade intentionally shift jobs overseas to increase their profits. The Australian Meatworkers Union estimates that some 40,000 jobs have been lost largely due to the live export trade; and thousands more are under immediate threat if the trade continues or expands. Through these job losses, the trade has had a huge negative impact on families and communities, in particular in regional Australia.

40. There is an alternative: onshore abattoirs and increased chilled and frozen meat exports to regional and other markets. Australian halal certified chilled and frozen meat exports from Australia are already worth significantly more than live exports in Middle East markets. Beef and veal exports to Indonesia are worth half the value of live exports. The reopening and building of northern and other abattoirs would provide options for an increased beef trade not just to Indonesia but to the wider region and potentially beyond. In an interview (*666 ABC, June 2011*) the President of the Australian Beef Association indicated that Northern Territory abattoirs could service markets as far as China. He also indicated possible solutions to seasonal meat processing downturns in northern Australia, including feedlots and processing of feral animals.

41. Animals slaughtered in Australia create Australian jobs not just in abattoirs but in processing and ancillary industries and businesses that service the processing industry. The New Zealand example is of clear trade and economic benefit from moving to meat processing, including increasing processing industries and opening new markets.

Options for northern employment

42. There are options for increasing northern employment other than the live cattle trade. Creating employment for people should not rely on perpetuating massive abuses of animals.

43. The Australian Beef Association has called for the building of an abattoir in Darwin. This could process both Northern Territory and shipped Western Australian cattle. Existing abattoirs might be reopened with government assistance. The Katherine abattoir was to have reopened last year to process cattle and feral animals but its chief executive John Hughes said that (*ABC News, July 15 2010*)

the problem was a lack of government support on issues like upgrading power and water. This could clearly be changed with government action. Both abattoirs would create additional local employment including in ancillary industries, and this could include employment for indigenous Australians. Processing on-shore would preserve cattle station jobs, produce on-shore processing jobs and increase jobs in the transport and feed/feedlot industries.

44. It is notable that, with a view to the future, Queensland Agriculture Minister Tim Mulherin has indicated that his government is already investigating the setting up of an abattoir in the north of Queensland. (*Canberra Times*, 1 July 2011).

Alternatives to the live sheep trade

45. Key findings of *"The value of live sheep exports from Western Australia"*, a report produced by ACIL Tasman and commissioned by the RSPCA, are that the value of live sheep exports to farmers and the economy is very small compared to other rural commodities; with structural reform, farmers are moving into more profitable areas such as prime lamb and cropping; on mixed farms the transition for farmers from live sheep to sheep meat is relatively simple; phasing out live sheep exports will not affect lamb or mutton prices long-term; and farm-level adjustments required to phase out live sheep exports would not be extensive. A further report, *"Economic analysis of Australian live sheep and sheep meat trade"*, reveals value-adding opportunities lost due to the live sheep export trade.

An unsustainable trade

46. When questioned recently about the long term sustainability of the live export trade (7.30 Report on 15 June 2011) even the Western Australian Premier Colin Barnett conceded that the live export trade might need to end in the long term. If then, given the suffering, why not now?

3. Other related matters.

47. *Moral argument:* Arguably there are some forms of trade that are morally insupportable whatever their potential for profit which governments therefore decide to ban. The live export trade is morally insupportable and should be banned. It is extraordinary that a trade involving medieval brutality is condoned and financially supported by Australian governments in the 21st century.

48. *Community opinion:* The live export trade is not supported by the vast majority of Australians who consider it cruel. The recent outpouring of anger over the treatment of Australian cattle in Indonesia is evidence of community opinion. There is, however, strong support for the conversion of this trade to chilled and frozen meat exports.

49. *Transparency:* With current technologies, instant visual imaging and high community concern about animal welfare, governments and industry cannot expect animal cruelty to remain hidden. Until this trade ends, cruelty will be uncovered, images will be disseminated very quickly and public reaction will be swift and severe.

50. *Cultural issues:* The brutality meted out to Australian animals and their suffering in live export markets in the Middle East and Indonesia is unacceptable, whatever the “culture” of the market. Following the recent *Four Corners* program the Indonesian Embassy in Canberra (*standard reply dated 9 June 2011*) agreed that the practices seen in the program were indefensible and responded both that “Indonesians themselves are appalled at these findings” and that the facilities responsible would be sanctioned (although there is no evidence yet that this has happened).

51. *Cultural preferences:* Far from the live export trade being the only viable option in current markets as argued by industry, in Middle East markets, halal certified chilled and frozen meat exports from Australia are already worth significantly more than the live export trade to these markets; and beef and veal exports to Indonesia are already worth half the value of live exports (50,000 tonnes in 2010).

52. *Barriers to chilled and frozen meat:* Although lack of refrigeration has been touted by the industry as a problem, this is no longer a major issue in wealthier Middle East markets. According to published comment by the Indonesian Association of Electronics Entrepreneurs (*The Australian, 14 June 2011*) 60% of Indonesian households have at least one refrigerator. This is substantially different to the figure of less than 10% used by the live export industry. The Australian live export trade predominantly supplies middle classes Indonesian consumers who are more likely to have refrigerators. Therefore the relevance of the lack of refrigeration to the demand for Australian live cattle appears to have been significantly exaggerated by the industry and its claims should be carefully examined.

53. *Massive costs to the taxpayer:* Because the trade lacks community support, substantial taxpayer funds have been spent by governments to investigate, promote and defend it. Most recently taxpayers spent over \$30m on compensation to producers. Hidden costs include staff time in DFAT, Austrade and at overseas posts managing the bilateral consequences of cruelty exposures. Local, State and Territory governments have also incurred costs in handling policy and practical issues associated with the political controversy. There are further costs to Ministers and to the Parliament including research, debate and Parliamentary inquiries. These are all costs to the public purse and to taxpayers in support of a controversial trade the vast majority of Australians oppose. The inquiry should investigate and publish details of these costs so that Australian taxpayers will know what we are all paying to support this trade. The costs to taxpayers will also rise as each new case of cruelty is revealed and until this cruel trade is brought to an end. I strongly object to my taxes being used to support this trade.

54. *Profit from the trade:* The live export industry has argued that there is a local benefit of this trade. There is, however, likely to be foreign ownership of and/or investment in at least some properties in Australia that produce animals for the live export trade and the benefits of this would flow off-shore. Ownership and/or investment in sheep and cattle properties that service the live export trade and whether this is private or government should be investigated by the planned Senate inquiry into foreign investment in agricultural land and revealed to the Australian public.

55. *Institutional investment:* There is little transparency about Australian investors, including major institutional investors, in this trade. The trade has called on government for massive taxpayer support

and Australian taxpayers have a right to know the scale of this investment and which institutional investors benefit directly or indirectly from government support of the live export trade.

56. *Credibility of government:* The inability of the Australian Government to prevent cruelty in this trade seriously undermines its credibility as a government committed to high animal welfare standards within Australia. It damages Australia's claim to be an international good citizen on animal welfare. Finally, this trade imposes extraordinary stress on ethical public servants, including in implementing agencies, who are required by government to provide administrative and policy support for a cruel trade, to conceal the extent of its cruelty and to defend the indefensible to an Australian community, the vast majority of whom reject this trade.

Related Private Senators' Bills

57. The Parliament should support legislation that will bring an immediate and permanent end to the live export trade.

Yours sincerely

Di Johnstone