

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

15 July 2011

Dear Committee

Senate inquiry: Animal welfare standards in Australia's live export markets
Senate inquiry: Related Private Senators' Bills

RSPCA Australia has a long-held policy that opposes the live export of animals for slaughter. We believe the inherent risks associated with transporting animals over long distances should see the slaughter of animals as close as possible to the point of production in Australia and under Australian conditions.

Each and every animal exported live for slaughter is vulnerable at each and every stage of the export process. Some of these vulnerabilities (or risks to animal welfare) may be able to be minimised or managed in a highly regulated and controlled environment while others, particularly those relating to the stress of long distance transport, the requirement for cultural change and monitoring and measuring of welfare outcomes are more difficult or impossible to overcome on an individual animal basis.

In the interest of animal welfare, the live trade must end and be replaced with a meat-only export trade.

Yours sincerely

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SENATE INQUIRY

ANIMAL WELFARE STANDARDS IN AUSTRALIA'S LIVE EXPORT MARKETS

RSPCA AUSTRALIA SUBMISSION - 15 July 2011

RSPCA Australia appreciates the opportunity to provide input into the Senate inquiry into animal welfare standards in Australia's live export markets and we will address the terms of reference in order.

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

Meat & Livestock Australia (MLA) state on their website that they have "the unique responsibility of providing marketing and research and development services to over 47,000 cattle, sheep and goat producer members and the broader red meat industry to help them meet community and consumer expectations"¹. Unfortunately, MLA has failed to meet community expectations as to how animals are handled, transported and slaughtered in live export destinations. In fact, if MLA had been listening to the community at all, their involvement in the live export of animals for slaughter would have ceased long ago. Instead, they have chosen to follow a strategy that aims to "inform and demonstrate to the community the systems and practices in place to provide high levels of care for"² animals exported live for slaughter and "counter the claims of animal rights activists with facts about the live export industry"³.

Australian animals have been exported to the Middle East and Southeast Asia for well over 20 years and on numerous occasions the inhumane handling, transport and slaughter of cattle and sheep has been exposed. Since 2003, Animals Australia has conducted seven investigations into the treatment of Australian animals in the Middle East⁴. On every occasion, it was clear that inhumane handling, transport and slaughtering practices are common and routine - despite MLA/Livecorp's presence in the region over many years. RSPCA Australia acknowledges that the live export program has resulted in some improvement to animal welfare in some importing countries. Particularly with regard to infrastructure upgrades such as (un)loading ramps, holding yards and facilities at feedlots (e.g. provision of shade and water), infrastructure improvements at abattoirs, and training programs for animal handlers. However, despite these upgrades in some facilities and training at different points in time, the very fact that MLA/Livecorp are aware and continue to allow the export of animals into what remain deplorable conditions is a clear indication that maintaining market access is a higher priority than guaranteeing animal welfare. Australian animals are literally being sacrificed in the interest of profits.

It should be noted that MLA/Livecorp may believe that their efforts are improving animal welfare conditions in importing countries, however, the question needs to be asked as to what benchmark they are using. It is clear that this benchmark is very low. The installation of the Mark 1 restraint box in Indonesian abattoirs is a case in point. Using traditional roping, tripping and casting of animals prior to slaughter as the benchmark, over 100 Mark 1 restraint boxes have been installed by MLA/Livecorp in slaughtering facilities across Indonesia that effectively facilitate the continuation of this cruel, painful and highly distressful method of restraint prior to the throat cut. RSPCA Australia undertook a detailed analysis of the footage obtained by Animals Australia in March 2011 and found the Mark 1 box to be neither efficient nor humane⁵. In fact, painful handling techniques (poking, hitting, kicking, tail twisting, eye gouging) were used to move animals into the Mark 1 box and once in the box, animals were roped and then forcibly tripped and slammed onto their sides against a concrete slab. If this wasn't painful and distressing

enough, as the ultimate insult, animals had their throat cut while fully conscious using multiple cuts with too small a knife. Not only do the cruel handling practices indicate the futility of MLA/Livecorp training of animal handlers in these locations, the installation of Mark 1 boxes clearly supports the view that MLA/Livecorp believe rope casting and throat cutting of a conscious animal is acceptable. In short, benchmarking against existing practice in importing countries is completely inappropriate - if the industry intended to make meaningful improvements, then they would have been requiring Australian standards and not exporting animals until they had been achieved.

Over the years, there have been numerous MLA/Livecorp reports that point to serious animal welfare concerns in importing countries. The most recent example being the report into animal welfare conditions for cattle in Indonesia⁶. The Australian Government, through its Live Trade Animal Welfare Partnership, also invests in these programs to improve animal welfare in importing countries, yet there is no evidence that comprehensive (and independent) monitoring and evaluation of this work has ever taken place. For a Government, and indeed an industry, that says it cares about animal welfare, ongoing monitoring and timely evaluation of the effectiveness of programs in importing countries, and then acting on this information, could have helped prevent unnecessary animal suffering.

Another example of the need for increased Government scrutiny is the 'closed/controlled system' at Al Sokhna in Egypt. This system is designed to prevent 'leakage' of animals by ensuring that cattle coming off the boat go directly to holding yards and then the abattoir. The abattoir, however, operates a rotating slaughter box that holds an animal, rotates 140 degrees at which point the animal has its throat cut while fully conscious. A report that was prepared to inform a Government review into slaughter practices in Australia found that "inappropriate restraint such as inverting livestock on their backs is a source of distress in its own right and will delay the onset of unconsciousness"⁷. Furthermore, this facility is EU accredited which means that it can export meat product to the European Union. There is a very real possibility that Australian cattle are exported live to Al Sokhna, slaughtered inhumanely in the rotating slaughter box and then sent as boxed beef to the EU. We have yet to hear anyone in the live export industry or Australian Government show evidence that this is not occurring and we see no reason at all why Australian cattle should be exported for slaughter in Egypt when their meat is then going to be sent to the EU.

There is another 'controlled system' for cattle being developed in Egypt. Despite RSPCA Australia requesting information on this facility - particularly with regard to its operational procedures - none has been forthcoming.

It is RSPCA Australia's view that, if the Government is going to invest in animal welfare improvements overseas, then this should be done separately from any industry involvement in that country in order to maintain market access, and be provided through overseas aid and other in-country assistance programs. We certainly do not support the continued co-funding of MLA/Livecorp projects in countries where animal welfare standards are below those that would be expected here in Australia. Australian animals should not have to pay the price for maintaining market access.

2. Investigate and report on the domestic impact of the live export trade within Australia

Cattle

In recognition of the uncertainty surrounding the long-term viability of the live export trade, alternative options - in particular, for northern cattle producers - are being explored. The sudden halt to the cattle trade with Indonesia is a timely reminder that reliance on access to a single market is a high-risk business

strategy. Indeed, northern cattle producers should already be thinking about alternatives given that Indonesia has indicated a desire to be self-sufficient by 2014, is already restricting the importation of cattle over 350kg, and is a market susceptible to currency fluctuations. From an RSPCA perspective, those alternatives should focus on a move away from the live trade into backgrounding and processing of cattle in Australia.

In 2009, the Northern Australia Land and Water Taskforce commissioned a review of northern Australia land and water science⁸. Part of that review included investigating the sustainability of the northern beef industry. The report noted two key opportunities:

- “Access to water to overcome seasonal feed shortages will enable large-scale cattle raising and finished beef production in areas where stock are now, for the most part, shipped out in the northern live export trade or to southern feedlots as store (unfinished) stock”.
- “The development of northern water resources to achieve year-round feed availability will also open up scope for the production of some grain crops (e.g. maize), energy crops and high-value horticultural crops for export to Asia, creating entirely new industries. This in turn will drive development of northern infrastructure such as all-weather roads, bridges, meatworks, fertiliser plants and port facilities. Based on similar developments, northern communities would then experience general enhancement in the quality and range of government and private sector services, including healthcare and education, and in regional business and employment opportunities”. (Cribb 2009, p. 3).

In 2010, a pre-feasibility study into establishing an abattoir in northern WA was carried out by the Department of Food and Agriculture (WA) and the Rural Industries Research and Development Corporation⁹. The key findings of this study were:

- “Access to a processing stream would be of significant benefit to producers in Northern Rangelands, who are exposed to tightening live export market constraints.
- Broome is the location that offers the most advantages to producers and processors as the site of a new facility.
- For greatest operational efficiency, any new abattoir should be capable of processing a minimum 400 head per day, and should be focused on cattle, with other species (e.g. camel) targeted to utilise niche spare capacity only.
- Abattoirs in the Northern Rangelands in WA would not be commercially viable in competition with a strong live export trade, without tangible government support, and without significant producer commitment to a processing alternative.
- An industry restructuring effort towards the development of a significant agistment/backgrounding sector would benefit the industry generally, and also provide a more commercially attractive platform for a processing stream”. (RIRDC 2010, p. vii)

In 2010, Queensland’s major beef processors commissioned a study to investigate the impact of the live export trade on the Queensland beef industry¹⁰. The study found that the growth in the live cattle trade over the last 15 years has damaged the beef-processing industry to the extent that it now threatens the processing sector’s long-term viability - particularly, in terms of its capacity to supply growing beef export markets. From an economic perspective, the study concludes:

- In 2008-09, live cattle exports cost Queensland \$140 million in lost value added (Gross State Product) and 1,200 lost jobs.
- By 2013, the economic cost to Queensland would be \$260 million Gross State Product and 2,180 lost jobs.

- Ending the live trade from Queensland and the Northern Territory would generate \$382 million additional Gross State Product for Queensland and an additional 3,112 jobs.

The Australian Agricultural Company (AACo) is looking into the viability of opening an abattoir in Darwin as part of its ongoing risk diversification strategy. This abattoir would be intended to process cattle that don't meet live export requirements, but could also, if the live trade were phased out, provide a much needed opportunity for general processing in northern Australia.

Sheep

The Middle East is Australia's major export destination for live sheep. The vast majority of these animals are sourced from WA. Two key reports have provided insights into the economic impact of the live sheep trade on sheep farmers and the processing sector in WA.

The first is a study commissioned by RSPCA Australia in 2009 to look into the adjustments required if live sheep exports from WA were to cease¹¹. The study concludes that adjustment costs and the impact on farmers will be modest if the trade is phased out over five years and a transferable quota system is implemented to manage the gradual reduction in the number of sheep available for live export over that period. Because farmers make business decisions based on the markets available, gradually reducing access to the live trade will see farmers continue to restructure their sheep flock and/or review land-use decisions as has been the case in recent years. The study highlighted:

- Sheep suitable for the live export trade are only one of a wide range of outputs of a merino flock on an average WA farm with live sheep equating to 3-7% of total farm receipts for farms with more than 300 sheep - a small and declining percentage.
- The adjustment costs are about 3-4% of the investment value of a ewe or wether, where increasing merino and cross bred prime lamb production is possible.

The second report, commissioned by the World Society for the Protection of Animals, presented an economic analysis of Australia's live sheep and sheep meat trade¹². Key findings of this study show that:

- For every \$100 of output created by the WA live export industry the State's Gross State Product is \$81 higher, but for every \$100 created by the WA meat-processing industry it is \$101.50 higher. In other words, a sheep processed domestically is worth 20% more to the economy than one exported live. Live exports present a significant loss of value-adding opportunity.
- Trade distortions benefit the live export trade. The import of live Australian sheep is heavily subsidised by some Middle East governments, whilst frozen sheep meat attracts a 5% tariff in most major Australian live sheep importing countries.
- A cessation of the live sheep trade could benefit the economy through an increase in the level of substitution between Australian live sheep and Australian processed sheep meat in the major importing countries. This would particularly benefit towns in WA where sheep meat processing plants are already located.

General

The reports highlighted above present examples of the genuine opportunities there exist for live animal exporters to readjust and restructure their operations to suit an environment where access to the live trade is no longer available. A key factor in the success of an adjustment process is that the trade is phased out rather than halted overnight. Many doom scenarios presented by the live export industry are based on an immediate cessation of the trade which inevitably results in a marked - albeit short-term -

impact on producers and the domestic market. A phase out, on the other hand, softens and spreads the impact over a number of years, allowing both the producer and the market to change in anticipation of an end to the live trade.

Of course, a phase out of the live trade also means that the welfare of those animals being exported in the interim must be safeguarded. This means that from farm up to and including slaughter in the importing country, a system must be in place that guarantees animals are treated as per Australian standards. A robust monitoring scheme must be in place to ensure standards are met at all times and severe penalties must apply to those who breach the standards. Under no circumstances should export permits be granted to those who cannot provide animal welfare guarantees across the supply chain.

Another aspect of a cessation of the trade is the impact on jobs, particularly in rural and regional communities. It must be said that the vast majority of those currently employed either directly or indirectly in the live export industry will continue to be employed in the livestock industry. One only has to think of the aspects of the supply chain that remain unchanged whether the animal is transported to the port or to a domestic processor, e.g. on farm, mustering, transporting, feedlotting, agents, veterinarians, feed suppliers, etc. The reality is that those truly impacted by a cessation of the live trade are limited to the (foreign) owners of live export ships.

Finally, it should be noted that the value of Australia's beef and sheep meat exports is significantly higher than that of live animal exports. The beef-processing sector's report mentioned above has already highlighted the risk that a growing live cattle export sector poses to Australia's capacity to increase beef exports. At the same time, the inherent risks of the live trade in terms of animal welfare along the supply chain (from farm up to and including slaughter) and the resources required to mitigate those risks, do not warrant Australia risking its reputation in the global meat market. Any incident involving Australian animals either at sea or in importing countries will focus the world's attention on the cruel and unnecessary trade in the live export of animals for slaughter, thereby risking the reputation (and acceptance) of other Australian meat products overseas.

3. Other related matters

Signatories to the World Organisation for Animal Health (OIE) - including Australia and our live animal importing countries - are expected to implement, adhere to and enforce the OIE's guidelines for the transport and slaughter of animals. Most of our live animal importing countries are yet to embark on the journey of developing animal welfare legislation and basic standards of humane handling, transport and slaughter as well as meat hygiene. And even if OIE guidelines were met, it still wouldn't prevent roping, tripping and casting of an animal. Nor would it prevent slaughter of an animal while fully conscious as the OIE guidelines do not require stunning. It is not acceptable for the Australian Government and livestock export industry to promote implementation of OIE guidelines in importing countries when the Australian community clearly expects Australian standards.

The Australian Government's attempt to ensure acceptable animal welfare outcomes for cattle exported to Indonesia through the *Australian Meat and Live-stock Industry (Export of Live-stock to the Republic of Indonesia) Order 2011 (No.2)* is yet to be tested. However, the requirement that OIE recommendations for handling, transport and slaughter be met will not prevent animals being subjected to traditional roping and casting prior to slaughter, nor will it require pre-slaughter stunning. It is as yet unclear how the independent auditing of the supply chain will take place and what the extent and frequency of monitoring will be. In addition, the public reporting of animal welfare-related information regarding specific consignments other than the current 6-monthly reports to Parliament has not been addressed. In short, we

are yet to be convinced that these new regulatory arrangements will meet the Australian community's expectations with respect to improving animal welfare in Indonesia.

Related Private Senators' Bills

RSPCA Australia is of the view that a phase out of the live trade will provide producers and others directly or indirectly involved in the live trade with an opportunity to adjust their operations to a situation where they no longer have access to that market. At the same time, we believe that animals being exported in the interim should have their welfare protected. The *Live Animal Export Restriction and Prohibition Bill 2011* proposes such a way forward. RSPCA Australia gives the Bill our full support.

The Commonwealth Government's *Australian Position Statement on the Export of Livestock*¹³ states: "The nature of the livestock export industry means that adverse incidents may occur that have the potential to impact on the health and welfare of a large number of animals, particularly when a vessel is at sea." We would add that there is further risk to animal welfare as soon as they arrive in importing countries.

RSPCA Australia is of the view that this risk to animal welfare is unacceptable.

SUBMISSION ENDS

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² Beef Marketing Funding Committee (2009) Beef levy review 2009, Final report of the Beef Marketing Funding Committee. Available at <http://www.mla.com.au/About-the-red-meat-industry/About-MLA/Company-overview/How-MLA-is-funded/Beef-Levy-Review-2009>.

³ Warwick Yates (2009) *Independent review of the effectiveness of the additional \$1.50 beef marketing levy*, Prepared for the Beef Marketing Funding Committee and Meat & Livestock Australia Limited, Prepared by Warwick Yates and Associates Pty Ltd and econsearch, 15 April 2009. Brisbane, QLD. Available at <http://www.mla.com.au/About-the-red-meat-industry/About-MLA/Company-overview/How-MLA-is-funded/Beef-Levy-Review-2009>.

⁴ Animals Australia (2011) Animals Australia's investigations, <http://liveexport-indefensible.com/investigations/>. Accessed 14 July 2011.

⁵ Jones, B. (2011) The slaughter of Australian cattle in Indonesia: An observational study. RSPCA Australia, Canberra, ACT. Available at <http://www.rspca.org.au/assets/files/Campaigns/Jones%202011%20-%20Slaughter%20of%20Australian%20cattle%20in%20Indonesia.pdf>.

⁶ Caple, I., Cusack, P., Gregory, N. *et al.* (2010) *Final Report. Independent study into animal welfare conditions for cattle in Indonesia from the point of arrival from Australian to slaughter*. May 2010. Meat & Livestock Australia and Livecorp. 56pp. In: MLA & Livecorp (2010) Live Trade Animal Welfare Partnership 2009/10. Final Report - Public Release. Indonesian point of slaughter improvements. Available at http://www.daff.gov.au/_data/assets/pdf_file/0005/1886477/indonesia.pdf.

⁷ Adams, D.B. & Sheridan, A.D. (2008) Specifying the risks to animal welfare associated with livestock slaughter without induced insensibility. Australian Government Department of Agriculture, Fisheries and Forestry, http://www.daff.gov.au/animal-plant-health/welfare/aaws/specifying_the_risks_to_animal_welfare_associated_with_livestock_slaughter_without_induced_insensibility. Accessed 15 July 2011.

⁸ Cribb, J., Harper, G. & Stone, P. (2009) *Sustaining growth of the northern beef industry*. In: CSIRO (2009) Northern Australia land and water science review 2009. Full report. CSIRO Sustainable Ecosystems, Canberra, ACT. Available at http://www.nalwt.gov.au/science_review.aspx.

⁹ Rural Industries Research and Development Corporation (2010) *Feasibility of establishing a northern Western Australian beef abattoir*, Publication No. 10/214, Project No. PRJ-005451. Canberra, ACT. Available at <https://rirdc.infoservices.com.au/items/10-214>.

¹⁰ Heilbron, S.G. (2010) *The future of the Queensland beef industry and the impact of live cattle exports*, Final report prepared for Teys Bros, Swift Australia and Nippon Meat Packers Australia, SG Heilbron Economic Policy and Consulting. East Kew, VIC. Available

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¹¹ ACIL Tasman (2009) *The value of live sheep exports from Western Australia, A review of adjustments that would be required if live sheep exports from WA ceased*, Prepared for RSPCA Australia. Canberra, ACT. Available at <http://www.rspca.org.au/assets/files/Campaigns/ACILTasman/ACILTasmanValueofLiveSheepExports2009.pdf>.

¹² ACIL Tasman (2009) *Australian live sheep exports, Economic analysis of Australian live sheep and sheep meat trade*, Prepared for the World Society for the Protection of Animals. Canberra, ACT. Available at http://www.rspca.org.au/assets/files/Campaigns/ACILTasman/WSPALiveexportsreport071009_FINAL.pdf.

¹³ Commonwealth of Australia (2011) *Australian Position Statement for the Export of Livestock*. In *Australian Standards for the Export of Livestock (Version 2.3) 2011*. Canberra, ACT. Available at http://www.daff.gov.au/_data/assets/pdf_file/0010/1904365/australian-standards-v2.3.pdf.