



Bev & Tom Stockwell
Sunday Creek Stn

ABN 38728673582

20 July 2011

Committee Secretary
Senate Standing Committees on Rural Affairs & Transport
PO Box 6100
Parliament House
Canberra, ACT 2600

Dear Secretary,

Animal Welfare Standards in Australia's Live Export Markets – TOR 2 Domestic Economic Impact

The Live Export Trade created a sustainable beef cattle industry in NW Australia – not the other way around.

In 1978, the Top End beef industry was depressed and undeveloped. It came out of the beef slump and spent the next decade or so eradicating Brucellosis and Tuberculosis (BTEC).

The expansion of the Live Export market started as BTEC wound down. It was the start of 20 years of growth, development and improved management of land and livestock.

I came to the Katherine region of the NT in 1978 with empty pockets as a raw graduate in Agricultural Science. I enjoyed a 21 year career in the NT Department of Primary Industry, half of which was spent in research and extension associated with beef cattle grazing and native pasture management, gaining a Masters degree in Agriculture for research work carried out on cattle stations in the district in 1988. For the last nine years I was the regional director for Katherine.

I bought my first cattle (about 126 cows and heifers from a droughted area) in 1987 and my first small property in 1989. Over the 20 odd years since then my family (wife & 3 school-age kids) have created a property and business which now runs about 7000 cattle on 850 sq km in the Sturt Plateau District south of Katherine.

Our story, and modest yet positive contribution to the regional Katherine economy, is typical of the many family enterprises in NW Australia which have invested and grown **with** the Live Export industry. In 1978 there were about 6 large, mostly undeveloped or abandoned leases in the Sturt Plateau District. Today there are about 23 vibrant (until recently) family enterprises earning export dollars and spending them in the region for goods, services and labour.

I am glad that while our primary production income relied on the Katherine Meatworks, I had another job. The live export industry did not cause the loss of processing facilities in NW Australia by shifting to Live Export. The Katherine Meatworks lasted as long as it did on the basis of an increased flow and subsidised price through the BTEC era. When it finished the Katherine meatworks went the same way as the rest across North Australia. The Live Export trade grew and gave the industry a future.

It is worth repeating that the beef industry in NW Australia developed as a result of the growth of the Live Export industry - prior to that it just subsisted. I am sure the committee will be presented with data from the Bureau of Statistics which show the nationally significant improvements in productivity in the Katherine region over the same period as the Live Export trade developed.

I received an unrelated letter from an old colleague recently in which he kindly recalled the following –

"I remember your comments made in 1980 about the necessity for a profitable market for the northern producers before there would be significant change. The industry has grown and flourished in the top end over the past decade or more. Let's hope that the pain we are experiencing now is a part of history and by 2013 things are back on track".

The massive investment in beef production in NW Australia, the improvements in communities, land management and development are inextricably linked and due almost entirely to the special relationship of production potential, geographical location and demographics that the Top End of Australia and Indonesia share.

For us there is no going back. The alternatives are not sustainable. Unless the recovery from the Live Export Suspension is managed efficiently and quickly, the suspension of trade will have changed our district community from vibrant to unviable in a matter of months. There are no happy endings in that for people, for cattle or for country.

Sincerely,

Tom Stockwell

Attachments: Comments against terms of reference are attached.

Senate Inquiry into Animal welfare standards in Australia's Live Export Markets

1.

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;

I cannot comment on the effectiveness or level of expenditure but can on the "effort".
I am fortunate to know good people who invested years of professional and personal effort in improving animal welfare and handling systems in Indonesia, other S.E. Asian and Middle Eastern markets. This effort has been from transport systems at destination, feedlot management, animal nutrition and health, cattle handling and processing through slaughter to the wet market and supermarket trade. Over a period of years I have seen before and after photos of processing facilities and wet market facilities where a real difference has been made. The difference is not only in the infrastructure design and systems but in the training and improved skills of the workers in the Indonesian Industry.
Being in a developing state ourselves, Territorians understand the difficulties in implementing change from a low economic base while doing it in a culturally appropriate way.
While the current debate has occurred due to a failure in the system, the abundance of positive steps appear to have counted for nothing in the defence of our trade and relationships. The debate thus far has certainly not recognised the outstanding effort of a relative few who have allowed a trade to develop to the benefit of rural and urban communities both in NW Australia and Indonesia.
Any system that involves people, animals, and machines will have failures, and particularly so if there is a camera involved. Any objective review should consider all the positive things that have been done and not judge the whole system on an unscientific and less than objective set of data.

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

The Live export trade did not have to be marketed to producers in NW Australia. It was a production and marketing system which had such a good fit, and offered better returns and prospects for sustainable development, that the growth was purely market driven. It also supported the growth of associated cropping and support and service industries and businesses.

However what the trade did drive was a need for research into production systems which better met the market and improved sustainable management of the pasture resource. Since the development of the Live Export trade in the NT, there has been an associated "golden age" of agricultural research and development into animal nutrition, breeding and health & welfare, as well as a massive learning and understanding of our natural pasture systems and how to manage them sustainably. Industry R&D funds, NT & federal government inputs and significant contributions from private and corporate pastoralists have all contributed to this effort. A profitable market has allowed managers to take the time to learn and invest in improvements and development.

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

It doesn't matter whether you are in a developing or developed nation, in a Muslim, Christian or atheist community, someone, somewhere, is being cruel to an animal if not another human. The RSPCA, after a century of existence, advertises on national TV that there are 20,000 cases of animal cruelty in Australia every year, but the ad does not call for the banning of Pets in Perth or Horses in Hobart etc. No system can be 100% risk free due to the factors previously mentioned. Thus realistic benchmarks and reactions to failures need to be part of the system.

Quite apart from being unacceptable ethically, there is no acceptable production or economic reason for cruelty to be part of an animal production/ food production system. Poor animal welfare makes no sense in terms of cash returns, meat quality, efficiency, or human welfare. All potential drivers should be used in encouraging improved animal welfare outcomes.

Some practical thinking should be used to ensure that the monitoring guidelines and standards can offer advantages across a range of desirable outcomes. The monitoring systems should be robust but not onerous or complicated.

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

- Training , communicating and appropriate technological improvements.
- Ensure that expenditure on live export markets is at least proportional to levies paid by that sector.

b) The extent of knowledge of animal welfare practices in Australia's live export markets including:

i) formal and informal monitoring and reporting structures;

I have regularly received the reports generated on animal welfare and mortality rates as recorded through AQIS , on board vets etc, and noted the improvement over the years to generally very low levels.

I am also aware of all the research reports into ship board conditions, design, rations etc. as well as on farm and pre-embarkation research and reports which have contributed to improved animal welfare and production outcomes up to that point.

I have also been provided with reports on projects aimed at improving animal welfare in destination countries. These have been more on an ad hoc project basis rather than a regular report.

ii) formal and informal processes for reporting and addressing poor animal welfare practices.

We have no involvement with the trade at the destination so are not aware of these processes.

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;

The live export trade has been responsible for enabling many family partnerships to develop, but has sponsored increased employment both on properties and in associated industries. Virtually empty districts now have active economies and utilise employed labour and various contractors for development and maintenance projects.

Since the suspension we have cancelled development projects which would have employed local contractors. We are going to try and keep our 4 staff on long enough to complete the weaning round but have informed them we cannot guarantee for how long.

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

I have described in the covering letter to this submission the overwhelming positive if not catalytic impact the live export trade has had on beef cattle production in NW Australia.

The industry has changed from a low input, harvesting of manufacturing grade cattle to a sophisticated and highly managed production system taking advantages of the unique complementarity of the Top End and Indonesian rural resources and populations.

The Live Cattle price in Darwin is the only market which buffers the control of prices offered by the global processing sector on the east coast.

Before live export store cattle prices were about 10c below bullock prices. Before the suspension they were 40-60 c above bullock prices.

c) Impact on the processing of live stock within Australia;

Throughout this live export crisis and the accompanying debate has there been any greater display of hypocrisy and misinformation than that put forward by at least some in the processing sector, the AMIEU and the ill-informed politicians and general public commenting on the proposition that the Live export industry has stolen jobs from Australian meat workers and caused the loss of processing facilities across the north.

Any objective look at history will show that the closure of about 14 export works across the north was well advanced before the live export trade picked up real momentum, Katherine being considered by some to be the only one that could partially list live export as a contributor to its demise.

If the AMIEU is so concerned about good Aussie meat workers losing their jobs why aren't they fighting tooth and nail against so many 457 Visa "skilled meat workers" being employed in the southern and eastern meatworks?

The impact of the suspension of the trade may drive more heavier cattle such as cows and bulls into the market place, and lighter steers into the store market. This will drive the price for manufacturing grade beef as well as the store market down. At the cost of the live export producer in north Australia, the beneficiaries will be the global meat processors and the 457 visa workers.

3. Other related matters.

A covering letter outlines our particular situation as a case study of the impact of the development and suspension of the live export trade to Indonesia.

