

I make this submission in support of Australian live export industry for consideration in the “Animal welfare standards in Australia’s live export markets” Senate Inquiry being conducted by the Rural Affairs and Transport References Committee.

1. Investigate and report into 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 live export market countries;*
- i. *Expenditure and efforts on marketing and promoting live export to Australian producers;*

I am unaware of any expenditure and/or effort to market and promote live export to Australian producers by MLA, Livecorp or any other industry body. MLA and Livecorp provide information to the Australian public to balance some of the hysterical claims made by many of the animal welfare groups and other opponents of live exports.

- ii. *Ongoing monitoring of the subscription to, and practise of, animal welfare standards in all live export market countries;*
- iii. *Actions to improve animal welfare outcomes in all other live export market countries and the evidence base for these actions.*

The presence of Australian cattle in Indonesia and other countries has undoubtedly improved animal welfare conditions for all cattle in Indonesia regardless of the origin of the cattle. The cessation of the trade to Indonesia and other countries would adversely impact animal welfare standards. Australia is the only country in the world that exports animal welfare standards along with exporting cattle.

- 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.*

The greatest animal welfare risk to Australian cattle in export markets is at the point of slaughter in these markets. The strategies being put in place by the industry will mitigate the risk of adverse animal welfare outcomes. These include:

- Restricting supply of Australian cattle to OIE accredited facilities in Indonesia.
- Providing additional infrastructure to Indonesian processors including stunning facilities.

- Providing intensive training to Indonesian workers.
- Using traceability to monitor the flow of cattle along the supply chain.

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.

Without the live trade the northern beef industry would at best contract very sharply and at worst cease to exist entirely as many properties would not be viable. It should be remembered that most properties are not suitable for any other form of agricultural production.

Regional and remote employment would therefore decline as a result of the contraction of the northern beef industry. There would be less employment directly on cattle stations and also in the businesses that service the cattle industry such as trucking, holding yards, ports, shipping, helicopter companies, veterinary services, agents, fuel distributors etc.

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

As mentioned above, cattle production would contract very sharply in the absence of a live export trade. Prices received by producers would fall sharply due to the need to transport cattle long distances to find markets. In addition, cattle produced in the north are discounted due to their lack of suitability for domestic processors.

c) Impact on the processing of livestock within Australia.

The cessation of live exports of cattle from Australia would not result in the local processing industry "taking up the slack". There are a number of reasons for this including:

- The lack of fattening country in Northern Australia, which means it is not suitable for an abattoir based industry.
- The lack of desire by Australian processors for the type of cattle produced in the North.
- The lack of demand for chilled beef in importing countries for cultural and practical reasons such as a lack of refrigeration.
- The vast distances that separate Northern producers from processors in the south of Australia which makes it not cost effective to transport cattle to processing facilities.

Opponents of the live export industry often state that the trade puts Australians out of work in the local processing industry. In addition to ignoring the arguments put

forward above, it also ignores the fact much of the labour used in local processors is now imported.

3. Other related matters.

There are a number of other factors relevant to this review including:

- Australia has a moral obligation to continue to provide Indonesia and other importing countries with an inexpensive source of protein. This inexpensive source of protein can continue to be provided by the Northern Australia cattle industry if the live trade is maintained.
- The export of chilled beef cannot replace the live animal trade to Indonesia. The sale of most beef through wet markets and the lack of refrigeration means that the sale of chilled beef is not possible for most Indonesian consumers.
- The live trade has provided a great source of income and employment in importing countries such as Indonesia. Indonesia uses waste products from other industries to feed cattle. These products would otherwise have no value. The cost of using these feed products is far less than the cost of grain feeding cattle in Australia.
- The use of by-products to feed cattle and the lower labour costs in Indonesia means that beef can be produced much more cheaply in Indonesia than in Australia. Demand for chilled beef imported from Australia would thus be far lower than locally produced beef.
- The cattle industry in Northern Australia has suffered badly over the last five years as a result of poor prices and adverse seasonal conditions in many areas. The live export trade is needed to maintain the viability of the industry in these areas. Data from Terry McCosker from Resource Consulting Services shows that for seven of the past eight years, costs for beef producers have exceeded returns.
- Opponents of the live cattle trade have used the New Zealand experience in phasing out of livestock exports as a precedent for Australia to do the same. They ignore the fact that the climate in New Zealand is conducive to finishing cattle for a processor market. In addition, livestock exports comprised a small proportion of total production. The New Zealand experience has no relevance to the current Australian situation.

The live export trade has served Australia and its export partners well over a number of years and should continue into the future. Producers in Northern Australia have invested heavily to supply the live cattle trade to Indonesia and other countries. In addition, other businesses have invested heavily in supplying inputs to the industry. None of these businesses deserve to have their livelihoods destroyed by the cessation of the live export trade.