

# **Inquiry into the Animal welfare standards in Australia's live export markets**

## **Submission**

This submission considers the impact the Live Export Trade has had on Animal Welfare, and argues one step further that Industry is acting out of the interest of trade protection and subsidisations<sup>1</sup> at the demise of our own domestic Meat Processing Industry. It also deliberates Governments overarching role in striking bilateral agreements with developing countries on unequal grounds and whether this has contributed to the collapse of public confidence in the Live Export Industry.

The introduction of *The Live Animal Export Restrictions and Prohibition Bill* 2011 calls on the winding up of live export to save and protect not only our domestic processing meat Industry, but to retain the animal welfare standard under our control. This Bill is significant as it foresees moving the domestic Industry forward both ethically and economically; this is a widespread public need.

The structure of this submission is by the Term of References and argues within this framework.

## **Q1**

**Investigate and report into the role and effectiveness of Government, Meat and Livestock Australia (MLA), Livecorp and relevant Industry bodies (Industry) in improving animal welfare standards in Australia's live export markets.**

The 1998 reform to the Red Meat and Livestock Industry enabled greater responsibility to the Industry and minimised the involvement of Federal Government in its activities. The new producer-owned service delivery company of MLA, and fully owned by Australian livestock exporters Livecorp are both key players in the live animal trade. Under legislation, MLA or Industry is to report to Parliament half yearly<sup>2</sup>.

After the recent events between Industry, Producers and Government, all parties misunderstood the roles and responsibilities each had in the Industry Structure<sup>3</sup>. For Government to not recognise the *Corporation Act* overrode Government enacting *MLA Act*<sup>4</sup> to compensate the producers during the suspension, indicated to the public that the Industry was neither transparent nor accountable. The media were quick to expose that the regulatory chain from Producer to Export Facilitator up to Government was failing. The fact that Government was unable to secure a clear supply chain as part of the bilateral agreement with offshore parties meant Industry eluded malpractices from even their own members. This displayed the deficiency within the Industry structure on an international scale. The check and balance mechanism was left off after 1998; the beginning of the self-regulated Industry transparency breakdown.

More focussed however, the Governments<sup>5</sup> role is to create a trading partner on equal standing. The WTO creates the framework in which to open international trade relations from an arguably humanitarian position. It is the Governments role to enter into a volunteering agreement with conditions understood by both parties from a clearer focussed position for the WTO standards<sup>6</sup> to work the agreement concurrently. This is the crutch of the issue that the Australian public has seen unfold. Undoubtedly the target of the shame has been Industry's maltreatment of animals, but it must not be overlooked that Industry was seemingly operating trade under the conditions of a bilateral trade agreement set by both countries Governments.

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<sup>1</sup> SG Heilbron Economic & Policy Consulting (2010) *The Future of the Queensland Beef Industry and the Impact of Live Cattle Exports*

<sup>2</sup> s68(B) s68(C) *Australian Meat and Livestock Australia Act* 1997 (Cth) Reporting to Parliament about funding agreement and variations; and the latter, compliance with funding agreement

<sup>3</sup> [http://www.liveexportshame.com/live\\_export\\_review.htm](http://www.liveexportshame.com/live_export_review.htm)

<sup>4</sup> s69(3) of the *Australian Meat and Livestock Australia Act* 1997 (Cth)

<sup>5</sup> The Department of Foreign Affairs and Trade working with Department of Agriculture, Fisheries and Forestry in the negotiations and process, and in developing strategies to maximize gains in Australia's circumstances

<sup>6</sup> OIE – Terrestrial Animal Health Code specifically; and DAFF works closely with other agencies such as AusAID and ACIAR Under Market access, FTA's is International agricultural cooperation.

<http://www.daff.gov.au/market-access-trade/iac>

It is tenable to suggest that time after time, the Australian Government has agreed to have trade relations with developing countries at a lower standard to meet the needs of the trading partner and at the same time providing no incentives to create equal interest or bargaining power to sustain the trade. It could be argued in the alternative that the conditions of trade to include animal welfare matters were left off. It is fair to say the Australian Government needs to revisit the way it enters into bilateral agreements and foresee the social risks attached. This ought to have been implemented when trade relations of this nature first became available. Instead Industry and Government are moving forward from behind – a position no longer widely accepted.

#### **i) Expenditure and effects on marketing and promoting live export to Australian Producers**

Singularly, MLA is a corporation, holds its position by virtue of government regulation, and is funded by a levy on cattle sales to undertake marketing, expand demand for beef and coordinate industry issues<sup>7</sup>. It also funds research on a dollar for dollar basis with the Federal Government<sup>8</sup>. The cattle transaction level is collected by the Levies Revenue Services and passed on to MLA. In 2005, the Government approved an increase in the levy from \$3.50 to \$5.00 for additional beef marketing creating a Beef Marketing Funding Committee to disperse these funds accordingly.

Amidst the outbreak of animal welfare issues in 2003 and subsequent attempts to lift offshore welfare standards, a 2009 Industry Report<sup>9</sup> laid out Beef marketing strategies position to drive increased demand for Australian Beef internationally. Amongst other items, it identified that “Continued campaigns by animal activities to stop livestock export trade”<sup>10</sup> would damage the public image of beef; its response was “the current strategy aims to use media and events such as Royal Shows to inform and demonstrate to the community the systems and practices in place to provide high levels of care for cattle exported”<sup>11</sup>. This was a measure to combat what they called, ‘animal rights activist rhetoric’.

Between 2004-2005 and 2008-2009, funding for the live export component more than doubled to \$725,000.00, three fourths the amount being spent of improving welfare standards in Indonesia or offshore markets. Market development again outweighed the amount spent on both improving welfare standards and improving risk management together. The Report proposed to retain community support the same per year, but boost market development activities to over \$1m annually by 2014-2015. Startling, the funds allocated for improving welfare standards and improving risk management will remain as is until 2014-2015<sup>12</sup>

Clearly the view of Industry with regard to animal welfare was a significantly lower priority. Warwick Yates and Associates and Econsearch<sup>13</sup> reported that the levy increase was to accommodate the extra marketing to address animal welfare issues. This view ought not to be discarded also.

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

As early as 2003, Dr Keniry<sup>14</sup> recommended a range of initiatives to improve animal welfare conditions. This was re-invented in a milder sense in an independent Report conducted for MLA and Livecorp in May 2010<sup>15</sup>. It

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<sup>7</sup> [http://www.liveexportshame.com/live\\_export\\_review.htm](http://www.liveexportshame.com/live_export_review.htm)

<sup>8</sup> s66 *Australian Meat and Livestock Australia Act 1997* (Cth)

<http://www.daff.gov.au/agriculture-food/meat-wool-dairy/red-meat-livestock/facts>

<sup>9</sup> Beef Levy Review 2009 - Final Report of the Beef Marketing Funding Committee

<http://www.mla.com.au/files/3b86130f-778f-48f1-ba35-9d5600f2ea6f/BeefLevyReview2009.pdf> AND

[http://www.mla.com.au/files/840d10c1-0389-4eeb-8d60-](http://www.mla.com.au/files/840d10c1-0389-4eeb-8d60-9d5600f32d49/Independentrevieweffectivenessoftheaditionalonedollarifty_beefmarketinglevy.pdf)

[9d5600f32d49/Independentrevieweffectivenessoftheaditionalonedollarifty\\_beefmarketinglevy.pdf](http://www.mla.com.au/files/840d10c1-0389-4eeb-8d60-9d5600f32d49/Independentrevieweffectivenessoftheaditionalonedollarifty_beefmarketinglevy.pdf)

<sup>10</sup> P44-45 Beef Levy Review 2009 - Final Report of the Beef Marketing Funding Committee

<http://www.mla.com.au/files/3b86130f-778f-48f1-ba35-9d5600f2ea6f/BeefLevyReview2009.pdf>

<sup>11</sup> Live cattle exports: industry report saw animal welfare as a marketing issue

<http://www.crikey.com.au/2011/06/09/live-export-industrys-solution-to-animal-activists>

<sup>12</sup> As for pt11, on p46

<sup>13</sup> [http://www.mla.com.au/files/840d10c1-0389-4eeb-8d60-](http://www.mla.com.au/files/840d10c1-0389-4eeb-8d60-9d5600f32d49/Independentrevieweffectivenessoftheaditionalonedollarifty_beefmarketinglevy.pdf)

[9d5600f32d49/Independentrevieweffectivenessoftheaditionalonedollarifty\\_beefmarketinglevy.pdf](http://www.mla.com.au/files/840d10c1-0389-4eeb-8d60-9d5600f32d49/Independentrevieweffectivenessoftheaditionalonedollarifty_beefmarketinglevy.pdf)

<sup>14</sup> Referenced in: DAFF Live Animal Export Trade “Australian government response to mistreatment of Australian cattle in Indonesian abattoirs” <http://www.daff.gov.au/animal-plant-health/welfare/export-trade> AND *Livestock Export Review Final Report* 23 December 2003- Chairman Dr John Keniry

listed the need to improve animal welfare at the point of slaughter through training, encourage the adoption of stunning, structuring journey management guidelines for long hauls, and delivering further feedlot management programmes specifically for the Indonesian market. Since this Report, MLA and Livecorp revised the Action Plan in May 2011 to include three main elements specifically addressing the Indonesian supply chain. RSPCA's response is relevant for this submission as it can be said for the whole of Live Export Trade.

Firstly, added funds to improve the restraining boxes is a furphy as the boxes have failed in the past, and fail to meet basic international animal welfare standards regardless of improvements made to the model. The training of how to use the boxes has also failed to prevent animal abuse. Secondly, added funds to encourage stunning have proven in the past to have failed to provide adequate safeguards. And thirdly, to spend time and funds pushing developing countries to comply with OIE standards whilst trading with them has no guarantee that this action will succeed with no incentive or equal interest<sup>16</sup>.

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

There is no evidence<sup>17</sup> to suggest that improving/adding to what should have been implemented by Industry earlier will safeguard the welfare of animals in the Live Export Trade. A country with no enforceable animal welfare regulations or penalties would sever Industry's attempt to action any of these recommendations<sup>18</sup>. What is more startling is that Dr Keniry and the Federal Government<sup>19</sup> has outlined that in the importing country, better infrastructure to reduce livestock stress or injury and training for feedlot, abattoir and transport staff was a necessity to sustain the Live Export Industry. No evidence in Four Corners footage suggested any actions have been taken despite MLA providing reassurance to their members that the Industry was safeguarding and growing<sup>20</sup>.

### **Conclusion to Q1 part 2**

It is wrong to advocate that the Live Export Industry requires a Structure overhaul; more so it is imperative to argue in reverse that Industry ought to be abolished in line with *The Live Animal Export Restrictions and Prohibition Bill* 2011<sup>21</sup>.

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

#### **i) Formal and informal monitoring and reporting structures; and**

#### **ii) Formal and informal processes for reporting and addressing poor animal welfare practices.**

With regard to the domestic handling of the live export, the intention of Australian Standards into the Export of Livestock (ASEL) framework was that it would be adopted into State legislation and then enforced by State inspectors. No State has adopted ASEL into the State legislation therefore Australian Quarantine Inspectors Services (AQIS) is responsible for its enforcement. AQIS believe animal welfare and the ASEL is the responsibility of the States and Territories. As RSPCA and other animal welfare agencies have found AQIS Inspectors are not routinely and consistently present to monitor and prevent cruelty in compliance with the ASEL due to resourcing of priorities and funding<sup>22</sup>. Also, the State Inspectors have not been given jurisdiction to enforce ASEL as 'stand-alone regulations' as the Codes has not been adopted into the Legislation. The likes of RSPCA were left to act in this role. Given their funding is charity based, their active involvement of

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<sup>15</sup> 'Independent study into animal welfare conditions for cattle in Indonesia from point of arrival from Australia to slaughter' prepared for MLA and Live Corp May 2010

<sup>16</sup> <http://www.banliveexport.com/documents/RSPCA-AnimalsAustralia-Response-to-Industry-Action-Plan.pdf>

<sup>17</sup> <http://www.banliveexport.com/documents/FactSheetFAQ.pdf>

<sup>18</sup> <http://www.banliveexport.com/documents/RSPCA-AnimalsAustralia-Response-to-Industry-Action-Plan.pdf>

<sup>19</sup> Australia's Position Statement on the Live Export Industry <http://www.daff.gov.au>

<sup>20</sup> Para 4, Mr Wilkie (Dension), House of Representatives Hansard: *Parliamentary Debate on Bills to End Live Export* Tuesday, 4th July 2011

<sup>21</sup> *The Live Animal Export Restrictions and Prohibition Bill* 2011<sup>21</sup>.

<sup>22</sup> <http://animals-angels.org.au/Animal%20Welfare%20in%20Australia.pdf>

monitoring and inspecting the Livestock Industry was to the detriment of animal welfare. Other States use the Department of Primary Industries to provide this role, but it is arguable whether there is a conflict of interest, and whether a lack of knowledge of how the legislation and Codes work for animal welfare outcomes. Within Dr Keniry's Report, the first recommendation of a National Standard for livestock exports was considered mandatory; it is arguable whether we have a clear system in place.<sup>23</sup>

Overarching this is Animal Welfare Legislation which is State by State enforced. It is written to be outcome based as opposed to prescriptive, and operates similar to the Criminal Justice System. The Policy of the government department with jurisdiction for animal welfare is that Inspectors shall wait until a breach of the animal welfare legislation has occurred before taking possible action<sup>24</sup>. This arguably undermines the purpose of Animal welfare measures.

The more popular understanding concerning live export trading is no country that Australia exports animals to have adequate animal protections laws. To agree to trade with OIE standards is unenforceable, and do not provide the same level of protection, and do not require pre-stunning, an inherent problem with the inhumane practices seen on Four Corners<sup>25</sup>.

Compare that with the domestic meat Industry, AMIC Industry statement 6 June 2011 outlines that meat processing is in accordance with Legislation<sup>26</sup> underpinned by the government's Model Codes of Practice. Coupled with this, AMIC's set of Standards were developed by a national committee, including animal welfare organisations.<sup>27</sup>

Clearly the domestic Industry is not burdened by additional Authority bodies to the extent the framework of Live Export is regulated.

## **Conclusion to Q1 part 2**

At the expense of Animal Welfare, the codified measures currently in place to accommodate the Live Export Trade falls short in promoting and adhering to Animal Welfare in the true sense of Australian Standards and legislation. This is one more reason to push through The *Live Animal Export Restrictions and Prohibition Bill* 2011<sup>28</sup>.

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<sup>23</sup> P5 Livestock Export Review –Final Report for DAFF 23 December 2003

<http://www.liveexportshame.com/docs/keniry0104.pdf>

<sup>24</sup> <http://animals-angels.org.au/Animal%20Welfare%20in%20Australia.pdf>

<sup>25</sup> <http://www.thenewlawyer.com.au/article/can-we-ban-live-animal-export/530401.aspx>

<sup>26</sup> Under the current Australian constitution, legislative responsibility for animal welfare within Australia rests primarily with State and Territory Governments.

<sup>27</sup> Industry Statement: 6 June 2011 Australian Meat Industry Council

[http://www.amic.org.au/content\\_common/pg-animal-welfare-and-processing-industry.seo](http://www.amic.org.au/content_common/pg-animal-welfare-and-processing-industry.seo)

<sup>28</sup> <http://animals-angels.org.au/Animal%20Welfare%20in%20Australia.pdf>

## Q2.

**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 AMIEU claims that over the last 20 years some 150 meat processing plants have closed with a loss of up to 40,000 jobs – which is directly attributed to the Live Export trade. Inadequate supplies of sheep and cattle and because of competition for animals with the live export industry buyers. The loss of employment created by a major industry meant families were forced to find work elsewhere. This then affected the viability of all local businesses in small rural and regional towns<sup>29</sup>.

The Industry post-farm gate sectors including small goods manufacturers, wholesalers et al – in total, close to 3,000 member companies representing over 55,000 workers directly employed in meat processing, exporting, wholesaling and retailing in Australia. That number again for those that are involved in the infrastructure. All these sections of the Industry rely on the red meat processing and export sector for a proportion of their livelihood – an industry worth an estimated Au\$17 billion to the Australian economy in total<sup>30</sup>.

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

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

The ACIL Tasman (2009) Review found that phasing out the live sheep trade would have minimal impact on farmers, and would in fact reap long-term benefits for farmers and economy through increased processing in Australia. With Cattle, the live exports are cannibalising Queensland's beef-processing industry and threaten to destroy \$3.5 billion worth of assets, \$5 billion in turnover and 36,000 jobs.

Live Exports compete with and undermine Australia's Beef Exports, and threatens our capacity to supply the growing world demand for beef.

The live trade lobby argues that the industry employs over 12,000 people and contributes \$1.8 billion to GDP annually. This ignores the fact that many of the jobs tied to the live trade would be taken up by local operations if the largely self-regulating live trade were shut down. The 'value-added' component of local processing would be a boost to local communities dependent on the meat industry.<sup>31</sup>

Indonesia actively protects its own beef industry and live cattle imports by banning key bee cuts and imposing high tariffs on imported beef product there is not a level playing field. And, live cattle exports means premium disease-free cattle are being processed in importing countries and sold in competition with genuine imported Australian beef<sup>32</sup>.

Australia's Import and Export Indicators and Statistics at a Glance (2010) shows a total value of exports at US\$210.7 billion of which, the livestock export markets contributes an estimated AUS \$1 billion. Both the Middle East and Indonesian are not Primary exporting partners.<sup>33</sup> With this, the Department of Agriculture, Fisheries and Forestry expressly recognises the limited scale of economy the Live Export Trade has comparatively<sup>34</sup>.

## Conclusion to Q2

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<sup>29</sup> <http://www.liveexport-indefensible.com/facts/issues.php>

<sup>30</sup> <http://www.liveexport-indefensible.com/facts/issues.php>

<sup>31</sup> CPA Communist Party of Australia, The Guardian The Worker's Weekly, Live exports – *Another ugly side to capitalist globalisation* AND *Report reveals negative impact of live export* Oct 12, 2009:

[http://www.wspsa.org.au/latestnews/2009/report\\_reveals\\_negative\\_impact\\_of\\_live\\_export.aspx](http://www.wspsa.org.au/latestnews/2009/report_reveals_negative_impact_of_live_export.aspx)

<sup>32</sup> 'The economic arguments against live exports, Stop Tasmanian Animal Cruelty – News Update:

<http://www.stoptac.org/index.php?mact=News,cntnt01,details,0&cntnt01articleid=217>

<sup>33</sup> [http://www.economywatch.com/world\\_economy/australia/export-import.html](http://www.economywatch.com/world_economy/australia/export-import.html) Australia Exports, Imports and Trade.

<sup>34</sup> <http://www.daff.gov.au/agriculture-food/meat-wool-dairy/red-meat-livestock/facts>

The impact the Live Export Trade has had on our Beef/Meat Exports is significant. The way the Live Export trade is burdening our national economy is clearly not a viable Industry for the future, nor ethically sounds to sustain.

## **Conclusion**

In determining whether the *Live Animal Export Restrictions and Prohibition Bill* 2011 will operate in line with protecting our Standards of Animal welfare, the following points are good benchmarks to consider for the benefit of the Inquiry, but not limited to:-

1. In 2007, New Zealand stopped the Live Export for slaughter Industry. The Former Agricultural Minister, Jim Anderson says, ' the economic consequences have been nothing but positive, because (a) the country's ethical stand on animal welfare avoids the risk of consumer backlash in key markets, and (b) it keeps the processing and added value in New Zealand means more jobs and higher export earnings. Live export is a no brainer', he said.<sup>35</sup>
2. The livestock export industry (for slaughter) is uniquely and inherently risky because it deals with sentient animals along an extended production chain, from farm to discharge into the market<sup>36</sup>;
3. The creation of bilateral agreements under Free Trade Agreements with developing countries has the ability to fail if the countries come to party with unequal interest, with no incentives or offer of economic trade-offs. Without certain social welfare clauses inserted, there is no room for bargaining power to respond appropriate to changing social needs;
4. The Live Export Industry Structure is to be abolished on the grounds that its operations since 1998 have not been in the interest of the Producer or the wider Australian community, and at the detriment of animal welfare. The non-transparent roles and accountability would be seen as a corporate wrong in the commercial sector, and subject to further juridical inquiry. It is an Industry that burdens the economy, and feeds off the back of our domestic Beef export Industry; and
5. The structure and operation of the domestic Red Meat and Beef Industry ought to replace Live Export Trade. The economy, unencumbered trading bargaining power and our animal welfare standards would see transparency and accountability all within our control. To re-invest interest in the domestic Industry will create a platform for Industry and the community to generate sustainable agricultural outcomes driven by ethical and economic values for the future.

*'Animal Protection may potentially be the next great social justice movement'*, Professor David Weisbrot AM

*'[t]here is nothing so powerful in the world as an idea whose time has come'*, response from the Honourable Michael Kirby AC CMG - 2010

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<sup>35</sup> <http://www.bit.ly/lv2qpi>

<sup>36</sup> Livestock Export Review –Final Report for DAFF 23 December 2003  
<http://www.liveexportshame.com/docs/keniry0104.pdf>

#### General Reference List:

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5. SG Heilbron Economic & Policy Consulting (2010) *The Future of the Queensland Beef Industry and the Impact of Live Cattle Exports*
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