

*provided by Maryanne Peterson,
Broome Chamber of Commerce
1/9.*

**SUBMISSION TO THE RURAL AFFAIRS AND TRANSPORT REFERENCE
COMMITTEE INQUIRY INTO
ANIMAL WELFARE STANDARDS IN AUSTRALIA'S LIVE EXPORT MARKETS**

BY

BROOME CHAMBER OF COMMERCE INC

This submission is made under the Terms of Reference for this inquiry in particular 2 a) and 3 by the Broome Chamber of Commerce Inc.

The Broome Chamber of Commerce (BCC) is a rapidly growing organisation that represents the commercial and industrial interests of Broome and surrounding areas in the west Kimberley. It is the voice of business in Broome.

The BCC recognizes and shares the strongly held concern of many Australians that livestock should not be subject to abuse and mistreatment and supports moves to ensure safe and decent treatment of our livestock. We also support education and assistance directed at our export partners to produce similar high quality treatment for all animals.

As you would be aware Broome has a long history of involvement in the cattle industry, for the last 25 years it has also been heavily reliant on tourism and hospitality as a major economic base.

The relatively high Australian \$ along with other global financial circumstances has the potential to negatively impact discretionary spend items such as tourism and hospitality and pearling both domestically and from potential foreign visitors. It is in these times that other industries such as the live cattle export trade become even more important to the economic stability and employment options in the area. Industries such as the live cattle export produce significant flow on effects in transport, services to agriculture and other sectors. For instance a local training institution has reported the cancellation of a number of traineeships in the cattle sector due to the ban; this in turn has affected the viability of the whole course delivery. The cattle industry also generates some economies of scale that assist other operations in

what can be a relatively expensive operating environment due to logistical and distance issues.

2. a) The impact on regional and remote employment especially in Northern Australia

The recent ban on live cattle exports created an immediate crisis of confidence in local business. The Minister and the Government clearly did not understand the flow on effect that the live export ban would have on rural and remote business.

Just as Exporters rely on certainty of payment for the sale of their product, so does local business rely on payment by their customers, the cattle exporters, for payment for the goods and services provided, often on extended terms, to their customers.

Cattle Exporters are consumers of a wide range of goods and services provided by businesses in rural and remote towns. To name just a few- food and station supplies for owners and employees, labor and employment, fuel, mechanical services, education, communications facilities, health services, irrigation and bore water pumps and supplies, veterinary services etc.

In the words of one member:

'We then have had to endure two flooding events which totally devastated our internal infrastructure. The financial burden has been extremely stressful and to have this event on top of it all has added even more burden to an already fragile existence.

What has affected us the most is the way this whole Live Export business has been handled. No concern has been given to the rural producers and businesses involved. The ramifications and ripple effect that this has created will take years to overcome.'

The immediate reduction in cash flow to cattle exporters had an immediate effect on suppliers who became concerned about their ability to receive payment for goods and services already supplied and on their ability to advance credit for future supplies in the uncertain environment of obtaining future payment.

This crisis in commercial confidence will continue for the foreseeable future and will have a continuing impact on business and hence employment in rural and remote towns that supply cattle exporters.

The proponents for a total ban on live cattle exports and the establishment of domestic abattoirs and the export of frozen and or processed meat products clearly are not fully acquainted with the fundamentals of the industry.

It is submitted that not one commercial bank in Australia would fund the establishment of new export abattoir in Australia

A summary of the many reasons include-

- The capital cost of new abattoir plant;
- Lack of equity owners- equity would be expensive reflecting the risk of loss;
- The relatively high labor cost in Australia- leading to an uncompetitive product price;
- The uncertain cash flow from export operations, directly impacting on the business's ability to service debt-
- Overseas markets acceptance of Australian product- e.g. Cultural and religious preference for fresh meat in countries such as Indonesia.
- Overseas markets- e.g. Indonesia's replacement of Australia as a supplier.

In short, this concept has fundamental flaws throughout the whole supply chain and if implemented would continue to undermine the viability of cattle producers and their suppliers of goods and services in rural and remote townships throughout Northern Australia. It is unlikely that such an industry would survive even with significant ongoing Government financial subsidy.

3. Other related matters

The impact is not limited to the live cattle trade but may extend to other export industries dealing with Indonesia. Broome has historical, cultural and economic ties with Indonesia that extend back many generations.

Indonesia's attitude to its damaged trading relationship with Australia over a wide range of export industries, including grains, is well publicized and has been the subject of informed comment. It is further submitted that your review will be incomplete if these flow on impacts are not recognized and addressed.

I also endorse the thrust of the submission of Mr. Justin Dyer, APN Pty Ltd as a considered voice of commercial reason.

Your Inquiry has the ability to restore confidence following the crisis that pervades the whole of the cattle producing industry in Northern Australia, and also restore the commercial confidence that has engulfed suppliers of goods and services to that industry in regional towns in Northern Australia. It is an opportunity not to be missed.

Thank you for this opportunity to make a submission. If we can provide any further information please do not hesitate to contact us.

Broome Chamber of Commerce Inc

PO Box 1307

Broome WA 6725

ABN 12 061 483 997

Phone: (08) 9193 5553

www.brommechamber.com.au

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