



July 22 2011

Animal Welfare Standards in Australia's Live Export Markets

Ms Jeanette Radcliffe

Senate Standing Committees on Rural Affairs and Transport

PO Box 6100

Parliament House

Canberra ACT 2600

Dear Jeanette

Re: Inquiry into improvements in animal welfare for Australian live export markets

The Western Australian Farmers Federation (Inc.) (WAFarmers) thanks you for the opportunity to make a submission to the Senate Inquiry into *Improvements in Animal Welfare for Australian Live Export Markets*.

Western Australian Farmers Federation

WAFarmers is the State's largest and most influential rural lobby and service organisation. WAFarmers represents approximately 4,000 Western Australian farmers from a range of primary industries including grain growers, meat and wool producers, horticulturalists, dairy farmers, pastoralists, commercial egg producers and beekeepers. This submission represents the voices of those who look after animal welfare on a daily basis and who are struggling to be heard above the myth and propaganda brought forward by anti export activists. This submission will address not only the Terms of Reference, but will also expand on several key points that are of the utmost importance to the pastoral and farming industries in Western Australia.

WAFarmers and the Live Export Industry

The Western Australian Farmers Federation is committed to maintaining a viable and productive agricultural industry in Western Australia and as such is a strong supporter of the Australian live export industry. WAFarmers is also a firm advocate for animal welfare both locally and within our export markets and applauds the significant gains made by Meat & Livestock Australia, LiveCorp and other industry bodies.

Western Australia contributes 42% of all Australian live cattle exports. Northern Western Australia is limited in market options, with problems of geographic isolation and unviable local abattoirs meaning that live export is often the only alternative. The development of the live cattle trade to Indonesia up until June 8 2011 was the major source of income for most pastoralists located in the Northern part of the state. Due to the rash decision by the Federal Government to suspend the live export trade to Indonesia; these pastoralists have now been left without an income for at least twelve months with negligible support offered by the Government. The availability of a live export market to take Bos Indicus cattle had previously prevented a flooding of the southern (predominately Bos Taurus) markets and supported a floor price for cattle producers state wide.

Additionally, Western Australia provides 81% of national live sheep exports. This demonstrates the importance of live export to the Australian agricultural economy. In a very similar way to cattle, live export provides a floor price for the domestic market and has often been the sole glimmer of hope for sheep producers during times of low wool prices and rising input costs. The Senate Committee may recall the terrible scenes of the early 1990s, where thousands of farmers were forced to send sheep to mass graves as a result of unviable prices. The abolition of the live export industry could potentially result in a repeat of these horrific incidents and the demise of agriculture in Western Australia.

Terms of Reference

- ***Investigate and report into the 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:***

As a member of the Cattle Council of Australia for eighteen years, I have witnessed firsthand the improvements that have been made by MLA, LiveCorp and other industry bodies in animal welfare standards in Australia's live export markets. The Senate Standing Committee should not forget (as many members of the public have) that a number of Australia's live export destinations are still classified as having third world living standards, limited infrastructure and widespread reliance on traditional slaughter methods. Coupled with deeply complex religious, cultural and political factors; limited development makes these destination markets difficult environment in which to bring about change and progress.

Despite the obvious challenges, Meat & Livestock Australia and other industry bodies have made significant progress in improving animal welfare standards in most destination markets; including Indonesia. Claims made by those that are opposed to live export indicate their inability to rationally assess the significant gains made in animal welfare standards. Although the Four Corners footage was distressing, it was sensationalised and did not accurately reflect the true manner in which the vast majority of Australian beasts are slaughtered.

- 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. expenditure and efforts on marketing and promoting live export to Australian producers;***

For many Australian producers, live export is the only option for their livestock. This is particularly true for those in Northern Australia who lack access to an onshore abattoir and who rely on the live export industry to maintain their viability. Three quarters of all Western Australian sheep producers are involved in the live export industry. MLA therefore is able to spend more of their budget improving international market access and communicating improvements in animal welfare standards with producers, rather than having to promote the benefits of live export. Sadly many of the urban population have struggled to grasp the extent to which Australian agriculture is reliant on the live export industry in order to remain economically viable.

Meat and Livestock Australia has invested a total of \$7.3million in research and development to improve market access between 2002 and 2009

This investment has been delivered through the below outputs;

- Australian livestock export industry market access strategy
- Ongoing country specific R&D and advisory activities

- Market intelligence reports
- Risk management modelling software
- Research finding highlighting the nutritional benefits of red meat.

These outputs are measured by the following outcomes;

- Timely identification of market access issues
- Protocol improvements in importing countries to better address animal welfare and production issues
- Improved animal welfare risk management
- Increased market options
- Well informed, targeted communication with government authorities and importers in existing and potential markets.
- Red meat nutrition marketing in export countries.

The impacts and benefits of these inputs have been identified as;

- Strong relationships with foreign governments, importers and import market stakeholders
- Improved market and trade access for Australian exporters
- Increased demand for livestock in new and existing markets
- Retention of Middle Eastern markets that threatened to source livestock from other suppliers
- Minimal restrictions and imposts applicable to Australian livestock exporters in overseas markets.
- Estimated benefit-cost ratio for LEP investments in market access activities is 8.4:1
- Estimated benefit-cost ratio for R&D investments is 4.2:1
- Estimated benefit-cost ratio for LEP investments in in-country marketing activities is 8.2:1
- Health and wellbeing benefits to consumers in developing countries, specifically access to better quality protein at a lower price.

Meat and Livestock Australia have also invested an additional \$15.7 million in industry communication and community awareness.

This has included expenditure on the following;

- Communications strategy
- Media education program
- Social media program
- Spokesperson network
- Advertising program
- Community awareness campaigns

As a result of these outputs, MLA has achieved the following;

- Effective, practical working relationships between MLA, LiveCorp and key livestock export industry stakeholders
- Increased public awareness and understanding of the Australian livestock export trade
- Strong stakeholder support for the industry and its practices
- A strong industry reputation with more than 70% of the surveyed population seeing the industry as ethical and trustworthy (September 2010)

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

Meat and Livestock Australia has invested \$13.4 million in animal welfare and livestock management in overseas markets between 2002 and 2009.

As a result of this investment, industry has implemented;

- Livestock handling / animal welfare skill development and training (including the 'In the Ute, Not the Boot' campaign launched during the 2008 Eid al-Adha Festival)
- Whole of chain communication of animal welfare requirements
- Development of infrastructure guidelines
- Tools and standards to assist handlers achieve optimal outcomes (stress minimising 'sheep talkers', restraining boxes and other industry initiatives)
- Collaborative industry programs in the Middle East and South East Asia.

iii. actions to improve animal welfare outcomes in all other live export.

Significant investment in destination markets has resulted in;

- Improved livestock handling and animal welfare practices
- Increased understanding of animal welfare requirements along the supply chain
- Increased number of facilities with appropriate infrastructure to ensure optimal livestock management and handling
- Improved industry capacity to identify and address animal welfare issues in a timely manner
- Improved standards of livestock handling and processing in export markets including the Middle East and South East Asia.

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

i. formal and informal monitoring and reporting structures;

Meat and Livestock Australia have invested significantly in supply chain management to obtain knowledge of animal welfare practices in Australia's live export markets. Each of our export destinations has several MLA appointed inspectors and a total of \$12million has been invested in supply chain sustainability, resulting in;

- Improved livestock performance through the delivery of new innovations, improved practices and procedures
- Higher number of stockmen, livestock export industry employees and other service providers equipped in livestock management skills
- Improved efficiencies in livestock export industry regulatory framework and management systems.

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

Improved regulation in industry following the recommendations of the Keniry Report of 2003 has resulted in the following benefits;

- Livestock export industry standards upheld by most facets of the supply chain.

- Effective risk management along livestock export supply chain
- Exporter systems consistently meet regulatory requirements
- Sustained, constructive working relationships between the livestock export industry and regulators

Investigate and report on the domestic economic impact of the live export trade within Australia including:

b. Impact on regional and remote employment especially in northern Australia;

The live export and pastoral industries are some of the biggest employers in Northern Australia. Despite gains in technological efficiencies, running pastoral stations and mustering thousands of cattle are still labour intensive occupations that require large crews in order to minimise animal and handler stress. It is not just the station owners that are impacted, but also the mustering crews (normally 8-12 people per station), the pilots, the truck drivers, feed producers, livestock agents, local communities and a host of supporting industries. The live export industry is responsible for approximately 13-14,000 positions in both direct and indirect capacities. Losing the live export industry would not only trigger the starving deaths of hundreds of thousands of cattle and the degradation of unique rangelands, but also the unemployment for thousands of hard working Australians. The Federal Government's Centrelink handout scheme signified the lack of understanding that the Government has for those who would rather work than receive welfare.

Of particular importance in Northern Australia are the employment opportunities that live export presents for the Indigenous population. As the Government should be well aware, disenfranchisement is often a key trigger for many of the problems to plague Northern Indigenous communities. Cattle stations and the live export industry provide an opportunity for Indigenous men and women to positively engage with society and prosper in an environment that is truly unique. Ironically, WA Farmers received a letter from the Federal Government in the months preceding the suspension of live export to Indonesia seeking suggestions on how best to improve Indigenous engagement within the pastoral regions. For the same Government to then act in a manner destined to further disenfranchise the Indigenous population by removing jobs, livelihoods, self worth and sending people back down the street to Centrelink was disgraceful. Without live export and viable cattle stations, much of the Indigenous population in the Northern parts of Western Australia and Northern Territory face an extremely uncertain future.

c. Impact and role of the industry on local livestock production and prices;

Much of Western Australia's livestock production has been geared towards suiting live export markets. All species of livestock destined for export markets have undergone a process of refinement and selective breeding in order to ensure that the product produced is suitable for the intended market. The Australian live cattle trade to Indonesia is a prime example of Australian producers working with international trade partners to develop a product and market place that is mutually beneficial for all concerned. 'Australia's success in meeting the growth in south east Asian demand for live feeder cattle in the early to mid-1990s was made possible by some important changes to the breeding and management systems of northern Australian properties.' (Martin, 2007). The introduction of the 350kg weight limit for slaughter cattle sent to Indonesia forced an adjustment in management practices for producers in the Northern half of

Australia, however through efficient practices, this change in specification was able to be accommodated despite the added difficulty of meeting a lower weight limit.

The suitability of breeds for certain markets is a key factor in the live export trade, however is often overlooked by those that are opposed to live export. Bos Indicus breeds such as the Brahman are ideally suited for export to warm tropical climates such as Indonesia and would suffer greatly through being sent to the south of Australia for slaughter. From the 1970s/1980s, the percentage of Bos Indicus in Northern Australia has increased from a mere 5% to 80% in a move that has resulted in increased productivity and improved animal welfare standards. (Farquharson, 2003). Selective breeding of export cattle in order to meet the requirements of the market and ensure healthy animals is a core element of the Australian live export industry.

The same can be said for the sheep live export industry with sheep producers selecting to breed stock that will be well suited to both our climate and export markets. The Australian Merino has become well adapted to handle conditions on board live export vessels and within destination countries, particularly when cross bred with resilient breeds such as the Awassi and Karakul (both of which are experiencing increasing popularity amongst live export producers). Western Australian sheep producers have adapted to suit the live export market; 'removing this option will affect the breeding, genetic selection and pasture management decisions for the whole flock' (ACIL Tasman, 2009).

The live export industry provides a base price which helps to keep Western Australian producers sustainable. 'Independent analysis shows that the contribution of the live export industry to the red meat industry is significant – both to those producers oriented to live export markets and those to processing markets.' (Centre for International Economics, 2011). CIE estimates this contribution at \$248 million in GVP terms and \$110 million in terms of value adding across the red meat supply chain. The recent suspension of live export to Indonesia triggered a slide in grid prices in the Eastern States and saw the WA domestic markets flatten. Although many may view this as a positive for the Australian consumer, this is a complete fallacy and demonstrates no understanding of the importance of long term sustainable agriculture in keeping prices reasonable for consumers.

d. Impact on the processing of live stock within Australia.

The claim made by many activists that live export leads to the closure of local abattoirs is blatantly misleading. Australian abattoirs require reliable stock numbers and a reliable labour force. Abattoirs across the Northern parts of Australia have closed due to seasonal factors, union disputes and a lack of labour. Many of the abattoirs in the south already import labour and have a large number of employees on working visas. Live export helps to keep prices at sustainable levels for producers, which in turn keeps producers in business and stock flowing through the doors of the abattoirs.

Industry Improvements

Over the last three decades the Australian live export industry has seen significant investment and subsequent improvements in animal welfare throughout all facets of the supply chain. As a result of these investments and improvements, Australia now has the highest animal welfare standards in the world and is the only country to actively invest in improving welfare in destination markets. Following the Cormo Express incident and the subsequent Keniry Review into live export, the industry implemented many of the recommendations and raised animal welfare practices to new levels right through the supply chain. . The review conducted by Dr Chris Back (Liberal Senator for Western Australia) highlighted the vast improvements in animal

welfare on board export ships and demonstrated that at least 99.9% of cattle and 99% of sheep to leave Australian shores reach their destination in a fully fit condition. It is clear that the vast majority of animals remain unstressed throughout the journey.

Australia has also been successful in improving animal welfare standards in a number of destination markets. This includes closed system processing in some parts of Egypt, the Middle East and South East Asia, the large number of abattoirs handling Australian livestock that are operating at or above OIE standards and the increasing awareness of animal husbandry practices amongst workers in export markets. These improvements would not have been possible without the efforts of Meat & Livestock Australia, LiveCorp and other industry bodies.

Senate Hearings

Western Australia produces 81% of the sheep, and 42% of the cattle for Australia's live export trade. It is therefore incredibly difficult to understand why Western Australia has been overlooked as a location for a Senate Hearing into this issue, and that our producers have been treated so poorly.

As a matter of urgency, I request the Senate Committee to reconsider this decision and allow the livestock producers of Western Australia the opportunity to speak up for their livelihoods.

On behalf of WAFarmers I thank you for taking the time to consider this submission. If you require any clarification, please do not hesitate to contact either myself or Director of Policy, Alan Hill.

Kind Regards

Mike Norton
President
Western Australian Farmers Federation

References

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