



**SUBMISSION TO:**

**Senate Standing Committee on Rural Affairs and Transport**

**Regarding its inquiry into**

**Animal welfare standards in Australia's live export markets**

**FROM:**

**The Australian Meat Industry Council**

**July 2011**

## **ABOUT THE AUSTRALIAN MEAT INDUSTRY COUNCIL**

The red meat sector is Australia's No.1 agricultural enterprise and is estimated to contribute A\$15 billion to the Australian economy.

The Australian Meat Industry Council (AMIC) is the recognised Peak Council in Australia representing the post-farm gate sector including export and domestic meat processors, smallgoods manufacturers, wholesalers, distributors, boning rooms and independent retail butchers.

AMIC is not involved, in any way, in the export of live animals to overseas destinations.

Ninety to 95% of the livestock turnoff in Australia is processed in businesses within Australia. AMIC represents close to 2,000 member companies employing over 55,000 workers directly in meat processing, exporting, wholesaling and retailing in Australia.

There is conservatively at least the same number of Australian's involved in ancillary services to our industry such as road transport, shipping, carton and equipment manufacture, insurance, banking, and laboratories which are all dependent on the red meat processing and export sector for a proportion of their livelihood.

AMIC provides services and support to members that improves their working environment and is focused on achieving the best outcomes for the industry and its members as part of one voice on issues critical to their business. In doing this AMIC also indirectly supports the Australian farming community and the Australian economy.

AMIC's submission addresses the following:

In relation to section 1 of the Terms of Reference

- 1) THE AUSTRALIAN MEAT INDUSTRY'S ANIMAL WELFARE CREDENTIALS
- 2) AUSTRALIAN PROCESSING INDUSTRY ANIMAL WELFARE TOOLS THAT MAY ASSIST THE LIVE EXPORT SECTOR

In relation to section 2c of the Terms of Reference

- 3) AMIC POLICY ON LIVE EXPORTS
- 4) AMIC RESPONSE TO THE IMPACT OF THE INDONESIAN LIVE EXPORT ISSUE
- 5) THE ECONOMIC IMPACT OF THE LIVE EXPORT TRADE ON AUSTRALIAN PROCESSING
- 6) CONCLUSION

## **THE AUSTRALIAN MEAT INDUSTRY'S ANIMAL WELFARE CREDENTIALS**

### **The Australian Processing Industry is committed to the highest level of animal welfare**

The Australian Meat Industry Council (AMIC) is committed to the highest level of animal welfare and the humane treatment of livestock. This is the unconditional expectation of our industry and its customers, being the consumers of our red meat products in Australian and our export markets.

One of our key missions is to ensure acceptable animal welfare standards are implemented and verified by a uniformly and independently applied effective audit process.

### **The Australian Processing Industry operates under strict state and federal animal welfare regulations**

Meat processing in Australia is conducted in accordance with existing animal welfare legislation underpinned by the government's Model Codes of Practice and Section 7 Animal Welfare of the Australian Standard for the Hygienic Production of Meat (AS4696:2007), as well as other state regulations.

The Model Codes of Practice contain the minimum animal welfare standards covering all aspects of slaughter that are required to be met by Australian meat processors. Failure to meet a minimum standard can be used as evidence to support a prosecution under the various State Prevention of Cruelty to Animals Acts.

Australian processors are required as part of their licenses to meet specific regulations, described in the Codes of Practice, standards and notices that enforce the appropriate management and handling of livestock and prevent practices which are considered cruel and/or that causes or results in unnecessary harm, neglect or suffering of animals.

### **The Australian Processing Industry has proactively developed and implemented industry animal welfare standards**

In 2005, AMIC proactively developed and implemented the AMIC 'Industry Animal Welfare Standards for Livestock Processing Establishments' (referred to in this document as '*The AMIC Standards*').

*The AMIC Standards* consolidate the national Codes of Practice, relevant State and Commonwealth legislation and other commercial requirements related to Animal welfare into a single consolidated standard for Australian processors.

*The AMIC Standards* were developed by a national committee, comprising representatives from Government, science, animal welfare organisations, as well as technical experts and industry representatives.

Committed to continual improvement, *The AMIC Standards* were reviewed and updated as recently as 2010 with the aid of the national committee and with scientific support provided by the Animal Welfare Science Centre at the University of Melbourne.

Since its inception in 2005, and through the continual improvement review process, AMIC proactively involved representatives of various animal welfare groups.

In fact, *The AMIC Standards* were launched in 2005 by Dr Hugh Wirth, former president of the Royal Society for the Prevention of Cruelty to Animals (RSPCA).

In 2010 The AMIC Standards were endorsed by Dr Temple Grandin, an international Animal Welfare expert, who has “*commended the Australian processing industry for adopting the Standards*”.

### **The Australian Processing Industry is subject to controls that ensure effective animal welfare outcomes**

Processing establishments in Australia integrate *The AMIC Standards* into their quality management systems to demonstrate compliance with Australia’s animal welfare legislation and commercial requirements.

Australia’s animal welfare legislation and *The AMIC Standards* are verified by Commonwealth and State inspectors and commercial auditors on behalf of our customers. At the Commonwealth level, the Australian Quarantine Inspection Service (AQIS) recognises *The AMIC Standards* within its regulatory framework and AQIS vets maintain a presence at export establishments to regularly review animal welfare practices, as well as other activities. *The AMIC Standards* are also recognised commercially as part of a number of customer requirements and are verified via independent audit accordingly.

Recently the Food and Veterinary Office of the European Commission has subjected the Australian meat processing industry and the Australian Government to a review of the appropriateness of animal welfare practices at processing in preparation for the progressive implementation of their new animal welfare regulations.

The result was that the Australian meat processing industry and government had already implemented a very thorough system of animal welfare controls and were very well prepared to meet the new EU standards.

### **The Australian Processing Industry invests heavily in ensuring its employees are trained and competent in animal welfare**

Australian meat processor personnel responsible for livestock handling and processing are required to be trained and competent.

AMIC partners with the National Meat Industry Training Advisory Council (MINTRAC), whose role is to deliver training and educational material to industry based on a range of activities including *The AMIC Standards*.

Through this partnership the Australian processing industry has developed specific competency based training programs for stock handlers, slaughtering staff, supervisors, and QA managers as part of its commitment to ensure good animal welfare outcomes.



In the last three years over 300 Australian processing industry personnel have completed the 'Animal Welfare Officer' training which meets a number of customers who require a designated animal welfare officer on the premises. Each year around 150 new livestock handlers undertake specific 'Livestock Handling' training. The MINTRAC training delivers on this requirement and underpins the practical application of *The AMIC Standards*.

### **AMIC's ongoing role regarding animal welfare in Australia**

AMIC, with the support of its processor members, is committed to the continual improvement in animal welfare practices through the following initiatives and activities:

- The further development and implementation of nationally applied and comprehensive animal welfare standards, together with associated audit and training material.
- The further development and delivery of national training competencies for livestock handlers, slaughter floor supervisors, quality assurance personnel, auditors, technical experts and others on animal welfare practice in the meat industry.
- Participation in policy development at the national level with Government and in collaboration with key stakeholders (ie the 'Australian Animal Welfare Strategy' or AAWS process).
- Participation in committees and taskforces that have responsibility for developing research and development priorities, strategies for addressing animal welfare issues, developing standards and identifying animal welfare priorities.
- Investment in animal welfare research and development both directly and through collaboration with key Rural Research and Development Corporations such as the AMPC.
- Communication and extension to industry members and other stakeholders on animal welfare requirements, issues and areas requiring research and developing strategies to address these issues.

## **AUSTRALIAN PROCESSING INDUSTRY ANIMAL WELFARE TOOLS THAT MAY ASSIST THE LIVE EXPORT INDUSTRY**

The development and implementation of *The AMIC Standards* and the related training initiatives have largely been funded by the Australian processing industry.

The Australian processing industry offers these resources as a reference for the Australian Government's development of appropriate animal welfare standards in supply chains operating in overseas countries that handle Australian livestock.

AMIC's website ([www.amic.org.au](http://www.amic.org.au)) contains a range of information related to animal welfare at processing and the following links are made available to the Independent Livestock Export Review.

Given that *The AMIC Standards*, and underpinning training initiatives, deliver appropriate animal welfare outcomes that meet the expectations of Australian red meat processing customers domestically and in our export markets AMIC encourages use of these tools.

### **AMIC's Animal Welfare Standards**

The following link provides a copy of the latest version of *AMIC's 'Industry Animal Welfare Standard for Livestock Processing Establishment'*:

<http://www.amic.org.au/SiteMedia/w3svc116/Uploads/Documents/Industry%20Animal%20Welfare%20Standards.pdf>

### **MINTRAC Animal Welfare Training**

AMIC's Animal Welfare Standards are underpinned by the training units developed and delivered by MINTRAC ([www.mintrac.com.au](http://www.mintrac.com.au)).

The following links provide a copy of the latest versions of the training materials available:

#### **Meat processing stock handling:**

[http://www.mintrac.com.au/site.php?nav=order&subnav=e&page=o\\_product&product=152](http://www.mintrac.com.au/site.php?nav=order&subnav=e&page=o_product&product=152)

#### **Animal welfare skill set:**

[http://www.mintrac.com.au/site.php?nav=order&subnav=e&page=o\\_product&product=104](http://www.mintrac.com.au/site.php?nav=order&subnav=e&page=o_product&product=104)

#### **Humane slaughtering:**

[http://www.mintrac.com.au/site.php?nav=order&subnav=e&page=o\\_product&product=151](http://www.mintrac.com.au/site.php?nav=order&subnav=e&page=o_product&product=151)

### **3) AMIC POLICY ON LIVE EXPORTS**

AMIC does not, and never has supported, a total ban of the Australian live export trade.

As a trade council that promotes free enterprise, AMIC acknowledges that there is a demand for live exports and it has strong government and producer support.

On this basis AMIC accepts the existence of the live export trade given a commitment to the following principles:

- A livestock export industry which has strict operating protocols and delivers safely, a high quality product that does not negatively affect Australia's international reputation or consumer confidence in the Australian meat and livestock industry.
- A "level playing field" in relation to operating costs, legislative requirements and standards between the live export sector and the processed meat sector to ensure a sustainable future for both industries.

### **4) AMIC RESPONSE TO THE IMPACT OF THE INDONESIAN LIVE EXPORT ISSUE**

#### **The initial impact of the Indonesian live export issue**

The impact of the footage aired on the ABC Four Corners program titled "A Bloody Business" on 30 May 2011 had an immediate impact on the Australian community.

In the initial days following the ABC 4 Corners program, AMIC was inundated with telephone calls and letters from our members and the Australian community who are our member's customers.

During the immediate period following the program AMIC retail members reported:

- An anecdotally reduction in red meat sales estimated to be between 10% and 15%.
- Individual customer 'protests'. Consumers walking into butchers making verbal protests vowing not to eat meat in the future.
- An increase in questions and concerns from consumers about the animal welfare and slaughter practices in Australia.
- General 'over the counter' comments and queries about the Indonesian issue; reportedly still occurring 6 weeks after the program aired.

Media interest was overwhelming, with over 600 articles reported daily in media monitors during the peak of the issue. Demonstrating how mainstream the issue had become, the women's weekly magazine titled '*New Idea*' ran an article on the issue on 27 June. *New Idea* is the second biggest weekly women's magazine in Australia having a circulation of 310,127 and readership of 1,384,000 people Australia wide.

The media coverage generated a heightened awareness of animal welfare and meat processing amongst the general population which was primarily negative in nature.

## **AMIC's response**

AMIC's members comprise of 1,800 Independent retail butchers, 60 smallgoods manufacturers and 225 domestic and export meat processors.

AMIC members are responsible for selling 30% of Australia's total red meat production to the Australian community; whilst also selling the remainder of Australia's red meat production to our overseas customers.

The Indonesian live export issue posed a significant threat to AMIC's members who process and sell meat to the domestic Australian community by negatively affecting consumer's confidence in, and therefore the reputation of, the entire Australian meat and livestock industry.

To combat this threat, AMIC took a number of immediate actions to address the potential collateral damage of the Indonesian live export issue on the Australian domestic red meat market.

In response, AMIC established an '*AMIC Issues Management Working Group*' comprising of senior processor and retailer representatives and Executive staff. The role of this group was to monitor and oversee the issue and coordinate AMIC's response on behalf of our members.

The primary aims being:

- 1) To protect and promote the Australian domestic red meat market by communicating that Australian processors are committed to, and operate in accordance with, strict animal welfare standards and legislation.
- 2) To prevent further damage to the reputation and confidence in the Australian meat and livestock industry by supporting a suspension of the live trade to Indonesia until equivalent animal welfare standards were in place.

## **Protect and promote the Australian domestic red meat market**

AMIC took definitive steps to ensure industry and government stakeholders and the Australian community had correct information about the animal welfare practices at Australian processing establishments. These proactive actions included:

- 30 May: AMIC distributed to all its members an 'Issues brief' with key talking points in anticipation of the ABC Four Corners program that was aired that evening. These were aimed at assisting member's response to any potential customer queries.
- 1 June: AMIC distributed to relevant State and Federal Government Departments and authorities an 'Issues brief' with key talking points to assist them with the development of their briefing documents. The briefs contained information on animal welfare practices at Australian processing establishments.



- 1 June: Distributed to key retailers an 'Issues brief' with key talking points to assist them with the development of their briefing documents or responses to consumers.
- 2-3 June: Progressively updated the AMIC web site with information about the animal welfare practices at processing. Other Industry groups began to provide links to AMIC's website.
- Week starting 6 June: Developed information flyers and in-store signs for retail butcher members to provide to their customers in response to questions and concerns that they raised. The primary aim was to protect employees at butcher shops from potentially aggressive members of the public, but to also ensure consumers had the correct information about animal welfare practices at Australian processing establishments. Copies of the material are provided in the Appendix on page 10.

### **Stop further damage to the reputation and confidence in the Australian meat and livestock industry**

AMIC does not, and never has supported, a total ban of the live export trade.

Throughout the Indonesian live export cattle issue AMIC took a position of 'suspend the trade, address the animal welfare issues, and resume the trade'.

Expanding on this, AMIC's view was that an appropriate solution must be based on:

- Supporting an immediate suspension of the shipments of live cattle to Indonesia,
- Instigating a whole of industry/Government consultation process to develop controlled, enforceable and fully accredited Indonesian supply chains that operate to equivalent Australian animal welfare standards, and that
- The live cattle export trade to Indonesia should not recommence until:
  - The Indonesian supply chains can provide assurance that whole of life animal welfare standards are applied to Australian cattle up to and including slaughter, and
  - The live export industry can provide assurance that there will be no leakage of Australian cattle into supply chains that do not meet the above requirements.

In AMIC's view this was the only position that would result in:

- Safeguarding the welfare of Australian cattle by implementing acceptable and equivalent animal welfare outcomes for Australian cattle exported live to Indonesia,
- Meeting the animal welfare expectations of the Australian community and the broader meat and livestock industry,
- Enable the live export trade to commence rebuilding confidence with the Australian community and the broader meat and livestock industry,

- Stop further damage to the reputation and confidence in the Australian meat and livestock industry by preventing the risk of further footage of inhumane practices being aired on television,
- Enable the broader meat and livestock Industry to begin to restore the reputation of and confidence in the Australian meat and livestock industry.

## 5) IMPACT OF THE LIVE EXPORT TRADE ON AUSTRALIAN PROCESSING

### Economic impact studies

A number of economic studies have been developed and published by Independent economists.

AMIC references these below should the Senate Committee seek further information:

- *SG Heilbron, March 2000, Impact of the live animal export sector on the Australian Meat Processing Industry.*
- *ACIL Tasman, 2009, Australian live sheep exports.*

### 'Level playing field' in Indonesia

In June 2011, AMIC made a submission to Department of Foreign Affairs & Trade in response to indonesia-australia comprehensive economic partnership agreement.

A full copy of the submission is available on request; however the following extracts are relevant to the terms of reference of this senate inquiry:

*Taken from: Section 1) INTRODUCTION*

*Indonesia is a vital export market for Australia's processed red meat products taking 67,489 tonnes of beef (48,436 tonnes), sheepmeat (832 tonnes) and offals (18,204 tonnes) worth over A\$450 million to the Australian industry in 2010. While in the context of Australian global sales, Indonesia only represents 4.9% of total volume exports, to those who specialize in the market, it is a highly important international market with significant potential and a major part of their overall business. With 90% of Australia's beef exports tied to just 4 countries, The US, Japan, Korea and Taiwan, the opportunity to diversify sales into newly emerging markets like Indonesia must be promoted.*

*As one of the world's largest Islamic markets, it requires exporters with knowledge and capability to service its specific needs. A number of exporters have made a significant investment in developing the market for red meat products in Indonesia. In principle, AMIC supports the commencement of IA-CEPA negotiations, the agreement must be comprehensive, inclusive of all aspects of Australia's trading relationship with Indonesia and it leads to a more transparent and internationally consistent trading environment between the two countries.*

*There are some specific areas of the trading relationship any Agreement must address.*

**KEY OUTCOMES FROM ENTERING INTO A COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT WITH INDONESIA**

- *Any study must be comprehensive and include all aspects of Australia's trading relationship with Indonesia.*
- *Removal of the 5% import duties on all red meat products consistent with the zero tariff levels faced by the live cattle trade. Processed red meat products and the live export trade should be competing on a level playing field. This would not appear to be the case at present.*
- *Removal of all non-tariff trade barriers. The Indonesian Meat regulations covering imports and distribution of imported meat are in some areas inconsistent with international practices and with WTO guidelines. They are directly limiting to trade in some instances and do not reflect normal commercial and international practice – e.g. Bans on the imports of lungs, tripe and spleen should be removed.*
- *A dispute resolution framework for resolving trade related issues that does not require disruption to the trade should be an essential component of this agreement if confidence is to be restored.*
- *Mutual agreement to a process for accreditation of plants and Halal certification and acceptance of the Australian Halal system (AGAHP).*

*Taken from: Section 5) THE LIVE EXPORT TRADE – THE TRADE-OFF*

*Indonesia now represents 75% of Australia's live cattle exports. It is clear that this investment is in direct competition with the red meat processing sector in Australia for the live animal. AMIC accepts the existence of the live export trade as long as they compete on a level playing field. This does not appear to be the case at present in Indonesia.*

*Disparities in tariffs continue to exist between beef (5%) and live cattle imports (zero) tariffs. An CEPA should seek to eliminate the 5% tariff disadvantage on processed beef products.*

*Currently offals banned from import because of Halal or quarantine reasons, walk into Indonesia as live animals and are sold on the domestic market following slaughter. Imported frozen offals such as lungs, tripe and spleens would compete with these fresh offals if they were not banned.*

*Processing standards in Indonesia especially as they relate to animal welfare standards should also be equivalent to Australian standards. Australia should not be exporting livestock for processing to countries that don't meet this requirement. Failures in animal welfare in the live export trade will affect the reputation of the whole Australian industry. A Comprehensive Economic Partnership with Indonesia must seek to deliver a transparent and open trading environment where all products compete on their ability to meet customer requirements.*

## 6) CONCLUSION

Safeguarding animal welfare is the unconditional expectation of our industry, its customers and the Australian community.

The Australian processing industry affirms our ongoing commitment to operating in accordance with community expectations by continuing to comply with strict state and federal animal welfare regulations which are verified by Commonwealth and State inspectors and commercial auditors on behalf of customers.

This commitment is demonstrated by our proactive development and implementation of AMIC's *'Industry Animal Welfare Standard for Livestock Processing Establishments'* and ongoing investment in training programs that ensure industry employees are trained and competent in animal welfare practices. Further demonstration is via our industry investment into animal welfare R&D and participation in government initiatives such as the *'Australian Animal Welfare Strategy'* and RD&E framework.

The development of *The AMIC Standards*, and the related training initiatives, has largely been funded by the Australian processing industry. Importantly the processing sector acknowledges that animal welfare compliance and training are absorbed as a cost of producing red meat products that meet community and customer expectations.

These tools are available for use by Australia's Live Export Trade.

AMIC does not, and never has supported, a total ban of the Australian live export trade. AMIC supports a live export industry which has strict operating protocols and delivers safely, a high quality product that does not negatively affect Australia's international reputation or consumer confidence in the Australian meat and livestock industry.

AMIC is of the view that supply chains operating in destination countries that receive live animals exported from Australia must demonstrate that they operate in accordance with our community expectations on animal welfare.

## APPENDIX

AMIC distributed the following poster to its 1,800 retail butcher members to assist them in answering customer's questions and concerns.



## Australian Meat Processing Animal Welfare

**Our customers are assured that the meat sold in this shop has been prepared by:**

- A processing industry which is committed to the highest level of animal welfare.
- Our meat processors operate under strict State and Federal animal welfare regulations.
- Our meat processors have properly trained employees who are competent in animal welfare.
- Meat processing in Australia is conducted in accordance with the Australian Animal Welfare Standards for all Livestock Processing Establishments.
- Australia's animal welfare legislation is enforced through Commonwealth and State inspectors.
- Australian meat processor personnel responsible for livestock handling and processing are required to be trained and are fully competent.

**The Australian Meat Industry Council (AMIC) does not ship live cattle to Indonesia.**

- AMIC has called for the immediate suspension of all live cattle shipments to Indonesia.
- This suspension should not be lifted until there are assurances that animal welfare standards are applied to all live exported Australian cattle.

**If you require any further information please refer to our website [www.amic.org.au](http://www.amic.org.au)**

AMIC distributed copies of the following flyers to its 1,800 retail butcher members to assist them in answering customer's questions and concerns. They were designed to be included in bags of purchased product.



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If you require any further information please refer to our website [www.amic.org.au](http://www.amic.org.au)

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