

Senate Rural Affairs and Transport References Committee

Questions on Notice – Thursday, 1 September 2011 BROOME, WA

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

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1	24	PGA WA	Senator Xenophon	16/9/11
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2	55-56	West Kimberley Producers Group	Senator Siewert	Unanswered as at 8/11/11
1	64-65	Pilbara Producers Group	Senator Nash	Unanswered as at 8/11/11

Rural Affairs and Transport References Committee

Questions Taken on Notice

Mr Terry Redman, Minister for Agriculture, Food, Forestry and Corrective Services

Public Hearing – Animal Welfare Standards in Australia's Live Export Markets
Broome – Thursday, 1 September 2011

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12	<p>Senator XENOPHON: Yes, Wyndham is pretty close. Could you provide details on notice—if you can, from the department's point of view—of what happened with the winding down of the abattoirs, whether there have been proposals to the Western Australian government for abattoirs to be re-established in the north-west of Western Australia and whether you think that would have an impact in shoring up prices as an alternative outlet for cattle producers?</p> <p>Mr Redman: In terms of the historical abattoirs that were here, I am happy to try and provide that on notice. I can give you the history of that and how it came about. We certainly have information on that. We have had discussions with a pastoralist, who I think will be presenting to your group today, about a boutique abattoir, if I can use that word. They are obviously seeing challenges with the threat that is presenting. It is only a very small domestic market to supply to up in the north here. You still have logistical issues with distance, isolation and a whole range of other factors. The government has certainly been asked to consider options and to provide what support we can to help with the development of an abattoir up here.</p>
13/14	<p>Senator SIEWERT: You may need to take this on notice. When the Indonesians brought in the 350-kilogram weight restrictions, how many head remained in WA because they could not be exported because they were over the limit?</p> <p>Mr Redman: The 350-kilo weight limit has been there for some time. It is a case of how rigorous they have adhered to it. That is the significant shift that happened 12 months ago.</p> <p>Senator SIEWERT: How many from when they started enforcing it?</p> <p>Mr Redman: I cannot give you the numbers about the alternative markets that were sought, only to say that the \$100 million and the 170,000 head that went out last year were under that new restriction on short notice. Of course, it takes time for pastoralists, with their business and seasonal cycles, to adjust to get more animals.</p> <p>Senator SIEWERT: Which is why I am asking that.</p> <p>Mr Redman: Because of the lucrateness of that market, it is a market that they would have responded to and will be responding to in order to deliver stock to. All the other alternative markets are just not as lucrative.</p> <p>Senator SIEWERT: That is why I am asking. It was brought in fairly suddenly and I know that in the NT stock had to stay in the NT. So what I want to know is: did stock have to stay in WA and how many? If you could take that on notice, that would be great.</p> <p>Mr Redman: I am happy to take it on notice. The other point that is significant here is that the margins for pastoralists, given their fixed costs and how they do business, are tight. It does not take much to kick into something less profitable. It does not take much to drop under something that is unprofitable. Certainly the Indonesian market has</p>

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Rural Affairs and Transport References Committee

Question Taken on Notice – Pastoralists and Graziers Association of WA

Public Hearing – Animal Welfare Standards in Australia's Live Export Markets

Broome – Thursday, 1 September 2011

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16 September 2011

PGA RESPONSE TO

Rural Affairs and Transport References Committee

Question Taken on Notice Pastoralists & Graziers Association of WA

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Export Markets

Held in Broome – Thursday, 1 September 2011

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PGA RESPONSE

It is the PGA's position that, while a long term whole of industry compensation scheme is required, immediate cash compensation should be made available for pastoralists who are able to substantiate a market loss for their cattle due to the Federal Government's suspension of the export of cattle to Indonesia.

In Western Australian, the majority of cattle producers are small, family owned business units, operating on a pastoral lease agreement with the State Government.

Pastoralists can only borrow against the value of their livestock, plant and equipment, as the land is under a lease agreement with the State government. As such, the asset that secures any borrowing is very much tied to the value of the market.

The Commonwealth Government's offer of interest rate subsidies for additional loans is of little use to pastoralists as they are already highly geared. It is the interest payment on existing loans that are difficult for producers to meet as a result of the ban.

It needs to be understood that many pastoral companies own more than one station, so for some of them, these losses are compounded. Even some family owned cattle producing businesses may own two pastoral leases if they are contiguous, as this brings economy of scale.

As the live cattle export season is closely tied to seasonal weather conditions, a full accounting of the losses incurred by all industry participants will become more obvious as the mustering season draws to a close with the onset of the "wet" season.

Immediate cash compensation needs to be made to individuals from a dedicated fund, and any losses claimed would need to be substantiated through a fair and equitable analysis of business projections for the year.

The object of the compensation scheme would be to put in place practical measures that would recompense businesses for losses incurred by the live export suspension.

Whilst there is a reticence by pastoralists to complete detailed forms, we recognise that this will be necessary if producers are to substantiate their claims of business interference by the suspension.

The PGA thanks the Senate Standing Committee on Rural Affairs and Transport for the opportunity to provide answers to questions on notice following the Public Hearing into Animal Welfare Standards in Australia's Live Export Markets held in Broome on Thursday, 1 September 2011.

Yours faithfully,



Rob Gillam
PGA President

Rural Affairs and Transport References Committee

Question Taken on Notice – West Kimberley Producers Group

Public Hearing – Animal Welfare Standards in Australia's Live Export Markets

Broome – Thursday, 1 September 2011

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55	<p>Senator XENOPHON: I have always said that the way Australian producers look after animals is world class and exemplary. The issue is what happens when they go overseas. Please do not suggest I have ever said that about you and your industry. Can I ask you one more thing. You have said that you were encouraged by state and federal governments 20 or 30 years ago to go down this path. Can you take this on notice. If you do not have the documents, that is fine; I could request the committee to establish this through state and federal governments. But if you do have any paperwork on it—I do not expect you would—that would be useful from my point of view for the committee's deliberation. It is something I can put on notice to the federal and state governments.</p> <p>Mr Burton: We can find that quite easily. It is freely available. Plenty of people are employed specifically as ag department officers to go out and promote—</p> <p>Senator XENOPHON: That would be useful to me. I would appreciate that.</p>
55/56	<p>Senator SIEWERT: Can I go back to the abattoir. Where are you planning to market the product?</p> <p>Mr Burton: I am here as a producer and these guys are producers. I am more than happy to come back to the group at any other time as a proponent for the abattoir. Those are more production issues than producer impacts.</p> <p>Senator SIEWERT: Okay. One of the terms of reference is to look at alternatives to live cattle trade.</p> <p>Mr Burton: I do not think it is fair to these guys who are producers. That is all.</p> <p>Senator STERLE: You may not want to talk about yours, but there will be questions—</p> <p>Senator SIEWERT: Maybe you can take that on notice, Mr Burton.</p>

Rural Affairs and Transport References Committee

Question Taken on Notice – Pilbara Producers Group

Public Hearing – Animal Welfare Standards in Australia's Live Export Markets

Broome – Thursday, 1 September 2011

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64/65	<p>Senator NASH: One of the things that struck me in Darwin and here is the number of young people who have been in the room and who have appeared before us. Mr Grey, I am interested in your perspective—and I am not saying you guys aren't young too; he's just a bit younger! From the perspective of you and your cohort of younger producers, how do you feel about the future for farming and what you are doing?</p> <p>Mr Grey: Those of us who have committed to agriculture—and very unfortunately there has been a massive decline recently of young people coming back—we really do need to see some support and some security for agriculture as a whole. There has been a real feeling of ostracism, especially in younger people, because we are copping a lot of social pressure from our peers who are not fully aware of what we do. That is in all facets of agriculture, not just live exporters. Anyone involved in agriculture seems to be tarred with the same brush at this point, which is really hard for a lot of people. Unless we can get some sort of industry support on a government level and see that people still want the agriculture industry as a whole, not just live export, you are going to see a lot fewer young people come back into it, which is going to be a bloody hard thing to come back from.</p> <p>Senator NASH: I would be very happy for you to take this on notice, give it some thought and maybe ask your cohort at home: what may provide some solutions and do what you are asking? I have been talking lately about the city-country divide and the fact that there is this gap between city and country which has pretty much led to the situation that we have got. A lot of city people just did not understand the ramifications of what was happening.</p> <p>Senator ADAMS: And still don't.</p> <p>Senator NASH: Yes, they still don't. This is a bigger picture thing, so if you would not mind please take this on notice and when you get some spare time, which you probably do not have, come back to the committee on what would provide some solutions to exactly what you are talking about.</p> <p>Mr Grey: I will take that on notice.</p>

