

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2014

Agriculture

Question: 151

Division/Agency: Live Animal Export Division

Topic: Economic Assessment of Bahrain

Proof Hansard page: 38-39

Senator RHIANNON asked:

Senator RHIANNON: Considering Bahrain has completely replaced live Australian sheep imports with Australian chilled and frozen meat, has an economic assessment been done on where the greatest benefit comes to Australia?

Mr Glyde: Certainly the Live Animal Exports Division and the Australian Bureau of Agricultural Resource Economics and Sciences have not done any economic assessment. We might be in a position to describe what has happened to the trade. I think in your question earlier this morning you mentioned that as a result of the suspension of the live trade there had been a significant increase in the import of Australian boxed chilled and frozen lamb, and that is certainly the case. But we have not had an investigation into some of the other factors happening in that market. We also imagine that there would be some substitution of live animals from other exporting countries as well as importing animals for consumption. As you would be aware, there is considerable import of animals to do with particular religious festivals in the region, and those sorts of things do end up distorting the market. Ms Irwin might be in a position to give you the statistics if that would help, or perhaps we could take it on notice and supply what we know about the box trade and the live trade over the last three or four years.

Answer:

The following table contains annual quantities and values of Australian sheep meat and live sheep exports to Bahrain between 2009 and 2013.

	2009	2010	2011	2012	2013
Quantity					
Total sheep meat (kt)	1.2	5.9	7.4	9.6	13.4
Lamb (kt)	0.1	0.0	0.0	3.3	13.4
Mutton (kt)	1.0	5.9	7.4	6.3	0.0
Live sheep ('000 head)	748	499	344	250	0
Value					
Total sheep meat (\$m)	4.3	30.9	37.3	38.2	71.9
Lamb (\$m)	2.6	6.6	7.1	14.8	71.6

Question: 151 (continued)

Mutton (\$m)	1.8	24.3	30.2	23.3	0.3
Live sheep (\$m)	66.4	53.6	48.5	33.4	0.0

Data for the period since live sheep exports to Bahrain were voluntarily suspended by Australian industry is not yet available. The latest available data on Bahrain's live sheep imports from other countries is for 2011 calendar year.

Information from Australian industry, supported by a media report from Bahrain, is that Bahrain imported an estimated 60 000 sheep from Somalia around the time of the *Eid-Al-Adha*. Other imports of Somali sheep are known to have occurred throughout the year. However, imports of animals from Africa are constrained by consumers' lack of confidence in the health status of livestock from Africa, where they have Rift Valley Fever, small pox and foot and mouth disease. Media in Bahrain at the time of the suspension also reported that meat from Somali sheep also cost around 70 per cent more per kilogram than meat from sheep imported from Australia.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2014

Agriculture

Question: 152

Division/Agency: Live Animal Export Division

Topic: International Animal Welfare Standards

Proof Hansard page: 42-43

Senator BACK asked:

Senator BACK: No, you are not. Neither am I. Can you tell me whether you are aware of any other product or any other commodity exported from Australia or, indeed, from any other country that has something equivalent to ESCAS applied to it, where the exporter is liable for the performance of those in a supply chain remote from the country of origin of that product or commodity?

Mr Glyde: I cannot be terribly specific about other regulatory systems, but I know that this sort of this system is rare. It is certainly the only system we have in the agricultural space that has this sort of requirement, and it is, as we have discussed already, a unique application. Obviously, the Australian government has no control over actions in another country; and so it is a unique circumstance where we require exporters to have commercially valid contracts with operators in another country to try to achieve our objectives of a trade that is consistent with international animal welfare standards.

Senator BACK: Thank you. Prior to ESCAS being introduced, did the department avail itself of that information that you have just so kindly and correctly advised us of?

Mr Glyde: No.

Senator BACK: At what point in time did you become aware of that; and, obviously, at what point would the then minister have become aware of the information you have just supplied to us?

Mr Glyde: I am sorry; I might have misunderstood your question. You are talking about information on other arrangements that are similar to this, like, say, in the handling of nuclear waste?

Senator BACK: That is correct—now applied to the export of animals, livestock, from Australia.

Mr Glyde: I think I would have to take that on notice to refresh my memory about what might have been provided at that time.

Question: 152 (continued)

Answer:

The Exporter Supply Chain Assurance System (ESCAS) regulatory framework was initially developed as a solution to re-open the livestock export trade with Indonesia, following the temporary ban in June 2011. The Farmer Review report, released on 31 August 2011, identifies New Zealand as being the only other country that has taken regulatory steps to obtain a level of assurance for the treatment of livestock during after disembarkation overseas.

In addition to this, departmental officers considered systems in place for the trade of hazardous waste, ozone depleting substances/synthetic greenhouse gases such as chlorofluorocarbons (CFCs), and nuclear materials. On 21 October 2011 the government announced it would extend the ESCAS framework to its feeder and slaughter livestock markets by the end of 2012 as recommended by the Farmer Review and two Industry-Government Working Group reports.

Agriculture

Question: 153

Division/Agency: Live Animal Export Division

Topic: Sale of Sheepmeat and Beef to Saudi Arabia

Proof Hansard page: 43

Senator BACK asked:

Senator BACK: Can you tell me what, if anything, has been the change in sales of sheep meat and beef to Saudi Arabia from Australia prior to and subsequent to the cessation of the live export trade?

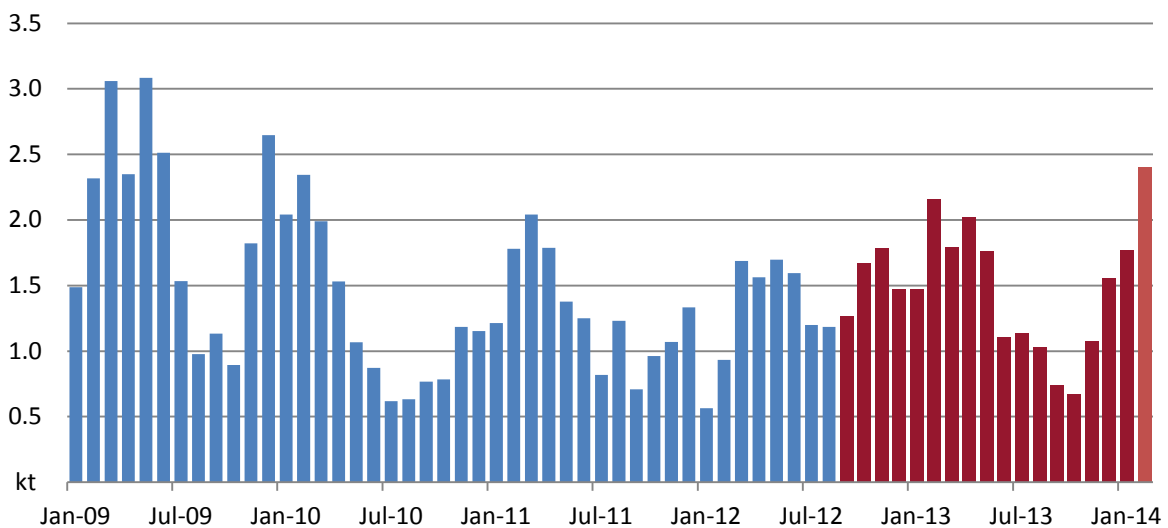
Mr Glyde: I would have to take one on notice, but we would have the statistics.

Answer:

Sheep meat

There has been no significant change in sheep meat exports to Saudi Arabia observed since the cessation of the live export trade in August 2012. Between September 2012 and February 2014 (shaded red on the graph below), sheep meat exports to Saudi Arabia averaged around 1500 tonnes a month, which is equal to the average from January 2009 to August 2012.

Figure 1 Australian exports of sheep meat to Saudi Arabia, monthly



Question: 153 (continued)

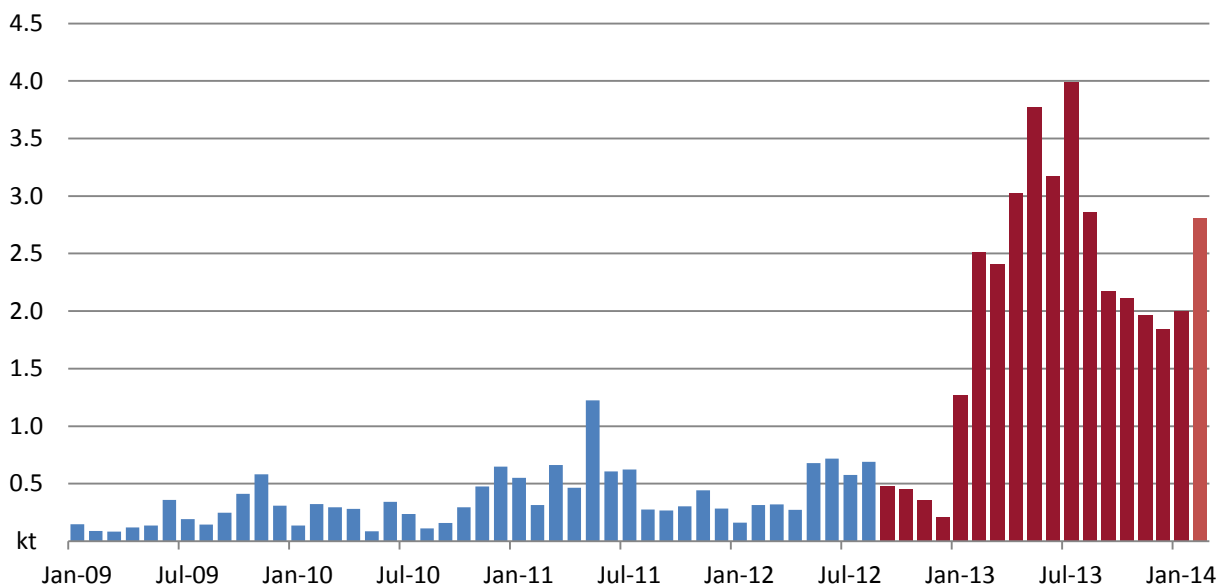
Despite trade being halted in August 2012, regular shipments of Australian live sheep to Saudi Arabia ceased in October 2010. Since then, only two shipments of live sheep, totalling around 93 000 head, were exported there. The first of these shipments occurred in March 2011, while the second occurred in August 2012, immediately before the cessation of the trade took place.

Beef and veal

The cessation of live cattle exports to Saudi Arabia in August 2012 had little effect on Australian beef and veal exports to Saudi Arabia in the four months that followed. Average monthly beef and veal exports to Saudi Arabia from January 2009 to August 2012 were around 363 tonnes. In comparison, from September 2012 to December 2012, Australian beef and veal exports to Saudi Arabia averaged around 375 tonnes per month.

From January 2013, an increase in Australian beef and veal exports to Saudi Arabia coincided with a decision by the Saudi Government to ban imports of beef from Brazil, one of Australia's competitors in the Saudi beef import market. From January 2013 to February 2014, Australian beef and veal exports to Saudi Arabia averaged around 2600 tonnes per month. As of March 2014 the ban on Brazilian beef in Saudi Arabia remains in place.

Figure 2 Australian beef and veal exports to Saudi Arabia



Data source: Department of Agriculture, Canberra

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Question: 154

Division/Agency: Live Animal Export Division

Topic: Live Export Trade to Indonesia

Proof Hansard page: 43

Senator BACK asked:

Senator BACK: In that case I will just ask one more question. What action did the department take subsequent to the banning of the live export trade to Indonesia in an attempt to re-establish the trade?

Mr Glyde: Is that with Indonesia?

Senator BACK: Yes, in the relationship between Australia and Indonesia.

Mr Glyde: There has been quite a lot of activity—ministerial-led and officials-led—both in the lead up to the suspension and then, following the suspension, during the re-establishment under ESCAS. There have been numerous meetings and numerous exchanges, so it is probably best if I take that on notice to give you the complete listing of the activities that have been undertaken both at the ministerial and official level.

Senator BACK: As part of that, could you also tell me—and I am sure it is publicly available—how many visits, if any, the previous ministers for agriculture under the last government and this government have made to Indonesia since 2011 as part of that process? Would you also then advise us of the number of cattle that have been exported from Australia to Indonesia, starting with 2009-10 through to your latest records?

Mr Glyde: Yes, no problem.

Answer:

Two ministerial visits to Indonesia have occurred since June 2011:

- On 19-21 June 2011 the former Minister travelled to Indonesia to discuss with Indonesian counterparts and senior officials, Australia's possible way forward for the resumption on the live cattle trade to Indonesia.
- On 20-23 March 2012, the former Minister travelled to Indonesia to promote investment and cooperation under the Indonesia-Australia Comprehensive Economic Partnership Agreement negotiations. During this visit the Minister had discussions with key Indonesian Ministers on matters relating to Australia's livestock export trade

In addition, in July 2012 the former Minister met with Indonesian Government officials in Darwin.

Question: 154 (continued)

Table 1 provides the number of cattle exported to Indonesia, starting with 2009-10 through to 2013-14 thus far.

Table 1: Australian live cattle exports to Indonesia (number)

Year	Feeder/Slaughter	Breeder	Total
2009-10	699,586	18,488	718,074
2010-11	456,017	1,345	457,362
2011-12	375,477	671	376,148
2012-13	266,141	5,187	271,328
2013-14*	293,123	3,969	297,092

* July – January inclusive

Source – ABS Catalogue 5465.0

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Agriculture

Question: 155

Division/Agency: Live Animal Export Division

Topic: Number of cattle exported to Indonesia

Proof Hansard page: 48

Senator BACK asked:

Senator BACK: We asked a question earlier about the number of cattle that have been exported to Indonesia. I wonder if it is possible for Mr Glyde to break those figures down for Queensland, the Northern Territory and Western Australia?

Mr Glyde: Yes, we can do that for you.

Answer:

Table 1 Australian live cattle exports to Indonesia, 2009-10 (number)

	Feeder/Slaughter	Breeder	Total
Queensland	129,602	0	129,602
Northern Territory	305,190	0	305,190
Western Australia	241,310	29	241,339
Other	23,484	18,459	41,943
Total	699,586	18,488	718,074

Table 2 Australian live cattle exports to Indonesia, 2010-11 (number)

	Feeder/Slaughter	Breeder	Total
Queensland	46,605	0	46,605
Northern Territory	264,300	0	264,300
Western Australia	133,443	0	133,443
Other	11,669	1,345	13,014
Total	456,017	1,345	457,362

Question: 155 (continued)

Table 3 Australian live cattle exports to Indonesia, 2011-12 (number)

	Feeder/Slaughter	Breeder	Total
Queensland	30,119	0	30,119
Northern Territory	245,805	0	245,805
Western Australia	99,553	0	99,553
Other	0	671	671
Total	375,477	671	376,148

Table 4 Australian live cattle exports to Indonesia, 2012-13 (number)

	Feeder/Slaughter	Breeder	Total
Queensland	4,214	0	4,214
Northern Territory	208,465	469	208,934
Western Australia	53,462	1,582	55,044
Other	0	3,136	3,136
Total	266,141	5,187	271,328

Table 5 Australian live cattle exports to Indonesia, 2013-14* (number)

	Feeder/Slaughter	Breeder	Total
Queensland	37,272	0	37,272
Northern Territory	185,172	2,674	187,846
Western Australia	70,679	1,095	71,774
Other	0	200	200
Total	293,123	3,969	297,092

* July – January inclusive

Source – ABS Catalogue 5465.0

Rural and Regional Affairs and Transport Legislation Committee

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Additional Estimates February 2014

Agriculture

Question: 156

Division/Agency: Live Animal Export Division

Topic: Exporter Supply Chain Assurance System

Proof Hansard page: Written

Senator RHIANNON asked:

1. What have been the quantities of boxed sheep imports to Bahrain since 2012?
2. How does this compare with quantity/numbers of live exported sheep to Bahrain in the previous years leading up to the ban?
3. What has been the value of this replacement to the Australian economy, and how does it compare with the average yearly value of live exported sheep in the previous years leading up to the ban?
4. How stable and reliable a market is Bahrain, and what are chilled sheep meat prices currently compared to last year?
5. Can you update me on reasons why the shipment of Australian sheep was rejected by Bahrain in 2012?
 - a. Have the claims of 'scabby mouth' been borne out by any investigations?
6. How many sheep were exported to Bahrain in the three years before the ban?
7. Given Bahrain's already demonstrated lack of commitment to animal welfare in live exports; Bahrain's willingness to replace live sheep exports with chilled meat and the certainty of that trade; and the clear economic benefits to Australia of the chilled meat trade – why is the government considering reopening the live export trade?
8. What loss to the chilled meat trade would the reopening of the live export trade to Bahrain represent? What modelling has been done?

Answer:

1. Current information on Bahrain's sheep meat imports or live sheep imports from other countries since 2012 is not available. Bahrain has not published import data since May 2012.

Question: 156 (continued)

Australia exported the following volumes of sheep meat exports to Bahrain between 2009 and 2013 (ABARES):

Product	2009	2010	2011	2012	2013
Total sheep meat (kt)	1.2	5.9	7.4	9.6	13.4
Lamb (kt)	0.1	0.0	0.0	3.3	13.4
Mutton (kt)	1.0	5.9	7.4	6.3	0.0

2. The following table contains annual volumes of Australian live sheep exports to Bahrain between 2009 and 2013 (ABARES):

Product	2009	2010	2011	2012	2013
Live sheep ('000 head)	748	499	344	250	0

3. The following table contains annual values of Australian sheep meat and live sheep exports to Bahrain between 2009 and 2013 (ABARES):

Product	2009	2010	2011	2012	2013
Total sheep meat (\$m)	4.3	30.9	37.3	38.2	71.9
Lamb (\$m)	2.6	6.6	7.1	14.8	71.6
Mutton (\$m)	1.8	24.3	30.2	23.3	0.3
Live sheep (\$m)	66.4	53.6	48.5	33.4	0.0

4. Meat and Livestock Australia (MLA) advise that the live and chilled meat markets in Bahrain have been stable in recent years up to the shipment rejection in 2012 and that meat prices in have not changed significantly from 2013.

Sheepmeat prices in Bahrain have not changed for more than 20 years which is largely because the retail price of subsidised sheepmeat that enters Bahrain is set in at 1 BHD/kg (AUD\$3/kg) at the retail level.

5. Bahrain did not approve the unloading of the sheep. The reason given by Bahraini officials was concerns about the presence of the disease scabby mouth in some of the sheep. Scabby mouth disease is not a World Organisation for Animal Health listed disease and is endemic to many countries worldwide, including Australia. This disease was not included in agreed importing country requirements for Bahrain or mentioned in the health requirements agreed under the Memorandum of Understanding on trade in live animals agreed between the Governments of Australia and Bahrain. To restart the trade, specific assurances on scabby mouth disease have been included in the agreed health certificates with Bahrain.
6. Refer to question 2 answer.
7. Revised animal health certification requirements have been concluded with Bahrain and these conditions provide specific assurances on scabby mouth. Bahrain has offered

Question: 156 (continued)

assurances that animals will be unloaded on arrival. These assurances were provided by the Bahraini Cabinet.

Current data does not conclusively show a causative correlation between boxed meat exports and livestock exports. Bahrain consumers retain their preference for live animals and will buy fresh meat from animals that are processed locally before buying chilled and frozen meat.

Data for the period since live sheep exports to Bahrain were voluntarily suspended by Australian industry is not yet available. The latest available data on Bahrain's live sheep imports from other countries is for 2011 calendar year.

Anecdotal information from Australian industry, supported by a media report from Bahrain, is that Bahrain has imported some live sheep (estimated at 60,000) from Somalia since the trade suspension. One shipment occurred around the time of the *Eid-Al-Adha*, which occurs at the end of the *Hajj* (annual pilgrimage to Mecca), when demand for live sheep is particularly high. However, imports of animals from Africa are constrained by consumers' lack of confidence in the health status of livestock from Africa, where they have Rift Valley Fever, small pox and foot and mouth disease. Media in Bahrain at the time of the suspension also reported that meat from Somali sheep also cost around 70 per cent more per kilogram than meat from sheep imported from Australia.

8. ABARES has not done any modelling on the impact of reopening the live export trade to Bahrain.

Rural and Regional Affairs and Transport Legislation Committee

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Agriculture

Question: 157

Division/Agency: Live Animal Export Division

Topic: Exporter Supply Chain Assurance System

Proof Hansard page: Written

Senator STERLE asked:

1. How many non-compliance investigations is the Department currently undertaking?
2. Will the Department of Agriculture be undertaking a review into the ESCAS system?
3. What would be the most frequent non-compliance issue with the ESCAS system?
4. I refer to a media report by The Age on Monday 10/2/14, that Agriculture Minister Barnaby Joyce will soon visit the Middle East to restart the live export trade with Bahrain and Iran. Is this correct?
5. If so, what work has been undertaken to ensure that compliance with ESCAS will be undertaken.
6. Will the Minister be seeking a MOU with both Bahrain and Iran to manage some of the possible risks the government carries in reinstating the trade?
7. Can you update the committee with regards to the Gaza incident investigations?

Answer:

1. As at 13 March 2014, the department is investigating 11 reports of non-compliance.
2. Yes.
3. Late provision of documentation by exporters to the department.
4. Minister Joyce visited the Middle East (Saudi Arabia and Bahrain) on 4-8 April 2014. His visit was to reinforce Australia as a reliable, competitive and safe supplier of agricultural products. This includes livestock.
5. It is the responsibility of Australian exporters to establish supply chains that are compliant with ESCAS.
6. No.
7. The Gaza incidents are currently under investigation. The outcomes of the investigations will be available on the department's website once complete.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

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Question: 158

Division/Agency: Live Animal Export Division

Topic: Live Exports in Bahrain and Iran

Proof Hansard page: Written

Senator XENOPHON asked:

In the Supplementary Budget Estimates in November last year, I asked and was given information about the current status of negotiations with Bahrain in regards to recommencing the live export trade.

Last week Agriculture Minister Barnaby Joyce announced the Australian and Bahraini governments had reached an agreement on animal health protocols so the trade could resume.

1. Could you provide specific detail on the agreement on animal health protocols between Australia and Bahrain?
2. Given the rejection by Bahrain and eventual cull in Pakistan of 20,000 sheep, what provisions has the Department negotiated to ensure that a similar rejection will not occur in the future if exports are recommenced?
3. What research and advice on this matter has been provided to the Minister?
4. I have been provided information that Australia proposed health conditions for Bahrain to reflect current international standards set by the World Organisation for Animal Health, emphasising that many diseases, including scabby mouth are endemic worldwide.
5. Have these conditions been agreed to by Bahrain?
6. Were these conditions present in Australia's previous MOU with Bahrain in relation to the offloading of animals?
7. What sanctions are proposed for non-compliance?
8. Could you advise me of the current status of negotiations to recommence the livestock trade in Iran, including specific measures that have been taken by the department? Could you also outline what research and advice on this matter has been provided to the Minister?
9. What is the progression of the animal health certification requirements for Iran?

Question: 158 (continued)

10. Given Australia's UNSC and autonomous sanctions against Iran, is the Department taking additional measures to ensure smooth negotiations with Iran? If so, what measures are being taken?

Answer:

1. Agreement to animal health protocols was confirmed by Mr Joyce's counterpart in Bahrain on 25 December 2013. This confirmation arrived via Post in Riyadh on 7 January 2014. The Bahrain Cabinet endorsed the new health certification and provided specific assurances on scabby mouth disease.
2. Government to government level assurances were provided on 13 February 2014. This included confirmation from the Bahraini Cabinet that Bahrain will offload any consignment received.
3. The Minister has been briefed on a range of matters relating to Bahrain, such as the existing Memorandum of Understanding (MOU), animal health protocols, and risk of consignment unloading.
4. Scabby mouth disease is not a World Organisation for Animal Health listed disease and is endemic to many countries worldwide. However, specific assurances on scabby mouth disease have been included in the agreed health certificates with Bahrain.
5. Revised animal health certification requirements have been concluded with Bahrain and these conditions provide specific assurances on scabby mouth. The Bahrain Cabinet endorsed the new health certification.
6. Scabby mouth disease was not specifically addressed in the previous MOU or health certification. The Bahraini Cabinet has endorsed the new health certification and provided specific assurances on scabby mouth disease.
7. During the export process, Australian exporters are required to demonstrate to the Department of Agriculture that the livestock are eligible for export to the destination market. Only when satisfied that the livestock are eligible for export to the destination market will the department allow the exporter to load the livestock onto a vessel.

Were an exporter to load livestock onto a vessel which were not eligible for export then they would not have complied with the requirements of the *Export Control Animals Order 2004* and the matter would be referred the Investigations and Enforcement Program for investigation.

There would be no sanctions on the Australian exporter for a failure to unload, provided all Australian Standards for the Export of Livestock (ASEL) and the Exporter Supply Chain Assurance System (ESCAS) requirements had been met, as that would be a matter for the importing country. In the event of a failure to unload, the department would assess whether that market should remain open for exports.

8. Animal health protocols and sample animal health certificates are currently with Iran for their agreement. This is the final stage of the negotiations on animal health conditions.

Question: 158 (continued)

9. Once all government to government requirements have been met, exporters will be able to establish ESCAS supply chains in Iran.

The Minister has been briefed about a range of matters relating to Iran, such as animal health protocol and certification negotiations.

10. The Department of Agriculture continues to negotiate with Iranian Government authorities over certification requirements for agricultural exports as a basis for Australian market access. In regard to sanctions against Iran, the Department of Foreign Affairs and Trade (DFAT) has responsibility for implementing and administering Australian sanctions laws.

DFAT has advised the department that exports of agricultural commodities and foodstuffs are not subject to United Nations Security Council or Australian autonomous sanctions. The department refers Australian agricultural exporters interested in exporting to Iran to DFAT to ensure they are aware of how sanctions could apply to their potential trade arrangements.

Rural and Regional Affairs and Transport Legislation Committee

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Agriculture

Question: 159

Division/Agency: Live Animal Export Division

Topic: Recurring ESCAS breaches in Gaza

Proof Hansard page: Written

Senator RHIANNON asked:

1. Can you confirm the Department is currently investigating breaches of ESCAS in Gaza whereby Australian cattle were brutally slaughtered on the streets during the Eid al Adha in October 2013.?
2. What immediate action did the Department take to safeguard the welfare of the remaining Australian animals in the market at the time?
3. Has the Department granted a further permit since October for the exporter – Livestock Shipping Services – to export cattle to Gaza?
4. How many Australian cattle have been exported to Gaza since October 2013?
5. I understand as part of this case, evidence was also provided to the Department of cruel slaughter practices in an ESCAS approved abattoir in Gaza – specifically the use of a full inversion restraint box which did not meet OIE or ESCAS guidelines: Given that when similar problems were exposed in an accredited abattoir in Egypt last year the Department sent officials to oversee the humane slaughter of the remaining animals, what action did the Department take in this case to ensure those Australian cattle still going through this abattoir in Gaza were slaughtered humanely?
6. What action did the Department take upon receipt of this evidence in November 2013 to ensure this restraint box is no longer being used?
7. I understand a further ESCAS complaint has been submitted to the Department of Agriculture relating to ongoing breaches in Gaza in January 2014 – concerning the cruel slaughter of Australian cattle both within and outside of the approved supply chain: In the approved abattoir - why were Australian cattle still being slaughtered in these restraint boxes in January this year when months earlier it had been identified that they breach OIE and ESCAS guidelines?
8. Considering there is only one ESCAS approved abattoir in Gaza, why are there four separate feedlots approved to hold Australian cattle?
 - a. What explanation has the exporter given as to why there is a need to have four feedlots approved which are not located near the approved abattoir?

Question: 159 (continued)

- b. Is the Department aware that these feedlots feed animals directly into onsite abattoirs?
- c. Is it reasonable to expect that leakage into these non-approved abattoirs is a risk?
- d. Given the latest ESCAS breaches in Gaza has the Department suspended ESCAS approval for LSS's supply chain in Gaza (including the abattoir and all feedlots)?

Answer:

- 1. Yes.
- 2. On 5 November 2013 the department was made aware of YouTube videos allegedly showing mistreatment of Australian cattle in Gaza. It was difficult to establish where and when the YouTube videos were taken and the department must be satisfied that the information provided is current and credible in order to take regulatory action.
- 3. No permits have been granted to export livestock to Gaza since the department was made aware of the allegations on 5 November.
- 4. See answer to 3 above.
- 5. The department reviewed the YouTube video. The video showed slaughter that did not meet OIE recommendations. It could not be confirmed when the video was taken. The department reviewed the independent performance audit report for the abattoir (conducted on 27 October 2013) and requested further information from the exporter. The independent performance audit report found that the abattoir and restraint box met World Organisation for Animal Health (OIE) recommendations. The exporter provided further video of the box in operation and an assessment of that video by an independent animal welfare expert that found the box met OIE recommendations.

The department accepted the findings of the independent auditor and independent animal welfare expert that the box met OIE recommendations.

- 6. See answer to question 5 above.
- 7. See answer to questions 5 above.
- 8.
 - a. The number of each type of facility in the supply chain is a commercial matter for the exporter and importer.
 - b. No.
 - c. Movement of animals to facilities outside approved supply chains is a risk for all markets and supply chains.
 - d. The department has required the exporter to suspend the use of the Gaza abattoir and not move any cattle from Israel to the Gaza feedlots.

Rural and Regional Affairs and Transport Legislation Committee

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Question: 160

Division/Agency: Live Animal Export Division

Topic: Wellard high mortality shipment to Israel/Jordan

Proof Hansard page: Written

Senator RHIANNON asked:

1. Are exporters required to advise the Department of engine failures or malfunctions that impact on the performance of the ship being used to export live animals if those engine problems may then impact on the welfare of the animals?
2. In relation to the recent high mortality shipment between Australia and Israel/Jordan -- the exporter (Wellard) has publicly admitted that in the days after they received fodder in Djibouti, deaths reached the 2% threshold for a reportable incident and that the change in food was a contributing factor. Considering the pellets provided in Israeli feedlots are straight maize, do not meet ASEL standards and are unsuitable without the provision of other fodder - why was it not identified that providing these pellets would cause acidosis and the deaths of animals?
3. In recognition that the onboard AQIS accredited veterinarian has a long standing relationship with Wellard and is being paid by the company, and considering the scale of problems this shipment faced and the subsequent mortalities, did the Department send a Departmental vet to Israel and Jordan to meet the ship and commence the investigation?
4. If a Departmental vet was not sent does that the Department will be reliant on a paper audit of documents provided by Wellard employees to determine what went wrong on this shipment?
5. Has the Department since approved further exports into Gaza?

Answer:

1. Yes
2. The department has requested information about the composition of the pellets. The department will investigate if there is evidence of a breach of Australian Standards for the Export of Livestock requirements.

Question: 160 (continued)

3. A departmental veterinarian met the ship in Jordan and observed discharge. This is not part of the investigation process.
4. The department seeks information from a variety of sources when conducting an investigation into a reportable mortality incident.
5. No

Rural and Regional Affairs and Transport Legislation Committee

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Question: 161

Division/Agency: Live Animal Export Division

Topic: Recurring ESCAS breaches in Jordan

Proof Hansard page: Written

Senator RHIANNON asked:

1. Is it correct that as the regulator, the Department can suspend an export licence while investigations into ESCAS breaches are underway and prior to the conclusion of any such investigations?
2. Given LSS is the subject of 5 investigations - 2 in Gaza and in 3 in Jordan - why does the Department continue to grant LSS export permits?
3. The Export Control Act states that an exporter's previous record of compliance must be considered before a permit to export is granted. Given LSS is the subject of 4 investigations including recurring breaches in Jordan, how can the Department be satisfied that animals placed into the care of LSS will be treated in accordance with ESCAS?
4. Given the additional conditions the Department placed on LSS in June didn't prevent the ongoing breaches exposed in October and despite regulatory action prompted by October - animals remained outside of supply chains in January – at what point does the Department question this exporter's willingness to comply with their regulatory obligations and refuse them a permit to export?
5. Was there an expectation from the Department that after the October complaint that the exporter would address animals that remained outside of supply chains in Jordan?

Answer:

1. The department can suspend an export licence where there is sufficient information to meet the requirements of the legislation to warrant suspension of a licence.
2. Under the legislation, the department is required to consider all applications to export livestock submitted by licensed exporters. This includes considering details of the proposed consignment, the Exporter Supply Chain Assurance System (ESCAS) arrangements, the exporter's performance history and other relevant information such as actions taken by the exporter to address the previous non-compliance, and performance since the time of the previous non-compliance. For applications where the department has concerns about the performance of the supply chain or the exporter, additional information may be requested

Question: 161 (continued)

to address the concerns and the department may approve applications subject to additional conditions. Applications are not approved unless the decision is satisfied that the ESCAS arrangements meet the requirements for approval.

3. See answer to question 2 above.
4. See answer to question 2 above.
5. No.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2014

Agriculture

Question: 162

Division/Agency: Live Animal Export Division

Topic: Exporter Supply Chain Assurance System

Proof Hansard page: Written

Senator RHIANNON asked:

1. Have any discussions been had or request from government made to reassess the ESCAS?

Answer:

1. Yes. The *Coalition's Policy for a Competitive Agriculture Sector* outlines the Coalition's policy to ease the burden on the Australian economy and the agriculture sector by reducing red and green tape costs on business. The policy states this includes reducing unnecessary red tape in export certification and the Live Export Supply Chain Assurance System.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2014

Agriculture

Question: 163

Division/Agency: Live Animal Export Division

Topic: Buffalo live exports

Proof Hansard page: Written

Senator RHIANNON asked:

1. Is the requirement for steady power supply to power electric stunners in the receiving country a requirement for live export of buffalo?
2. Does the ESCAS process record and confirm this requirement?
3. How many abattoirs in each of the receiving countries guarantee only the use of electric stunners in the slaughter of Australia's exported buffalo?
4. How is Australia ensuring oversight of the appropriate stunning of buffalo and other minimum requirements of the ESCAS?
 - a. What resources and staff are dedicated to ensuring adherence to the ESCAS, specifically relating to buffalo, in each receiving country?
 - b. What training is provided to staff receive regarding handling buffaloes including the hours of training and course details?
5. Considering there have been concerns previously raised regarding the "potential loss of power supply" has this situation changed?
6. If the department is now confident that there will be a regular power supply what does it base this certainty about continuing power supply on?
7. Is the department confident that electric stunners can be relied on to operate in each of the receiving countries?
8. Can you supply the committee with any research or information done into the suitability of buffalo for long sea voyages?

Answer:

1. Yes.
2. Yes.
3. One.

Question: 163 (continued)

4. A licensed livestock exporter who exports buffalo for feeder or slaughter purposes under the Exporter Supply Chain Assurance System (ESCAS) must provide the department with an Independent Performance Audit Report (IPAR) at defined intervals. The IPAR is assessed by the department to verify the performance of the exporter's approved ESCAS.
 - a. The department relies on independent auditors to verify the performance of approved ESCAS in each destination market for buffalo.
 - b. This is a matter for the exporter. The system relies on independent audits to assess compliance with all aspects of the ESCAS.
5. The department is aware of these concerns, however prior to a facility being included in an approved supply chain it must be independently audited and found to be compliant with the relevant OIE animal welfare guidelines.
6. The Independent Initial Audit Reports and IPAR provided to the department confirm whether the slaughter process is compliant with the relevant OIE animal welfare guidelines. In the event of a power failure, slaughter ceases until a satisfactory power supply returns.
7. Yes. Adequacy of equipment is assessed through the independent audit conducted on the proposed or approved ESCAS.
8. Buffalo are usually exported by sea from northern Australia to markets in South East Asia on short haul voyages less than ten days. Buffalo are reported to travel well by sea on such voyages.

Further information is available on the department's website in relation to conformity to World Organisation for Animal Health animal welfare recommendations for animal handling and slaughter in the importing country:

<http://www.daff.gov.au/biosecurity/export/live-animals/livestock/information-exporters-industry/escas/escas-assessment-guidance-cattle-and-buffalo>

The department reports to Parliament every six months on livestock exported by sea including mortality rates.

<http://www.daff.gov.au/biosecurity/export/live-animals/livestock/regulatory-framework/compliance-investigations/investigations-mortalities>