

## RSPCA Australia Submission

### Regulation of Australian Agriculture: Productivity Commission Issues Paper

- 1. Do existing animal welfare regulations (at the Australian and state and territory government levels) efficiently and effectively meet community expectations about the humane treatment of animals used in agriculture production?**

We do not believe existing animal welfare regulations meet community expectations regarding the humane treatment of animals used in agriculture and have consistently raised our concerns about this with state and territory governments. State and territory regulations authorise systems of production and husbandry practices that fall well below community expectations. The failure to adequately take into account community expectations can have significant long-term consequences for livestock industries as consumers become increasingly sensitive about animal welfare issues and begin to lose confidence in the integrity of livestock industries. One national survey measuring trends in attitudes to animals found that 52% of Australians believed that modern farming methods relating to the production of eggs, milk, and meat were cruel.<sup>1</sup> The primary concerns of the community relate to intensive confinement systems such as the use of battery cages for laying hens and individual stalls for sows, routine surgical procedures without pain relief, and food and water deprivation during transportation and at saleyards. A Victorian study commissioned by the Department of Primary Industries found that 32% of Victorians fostered 'low levels of trust' in farmers to address animal welfare concerns without legal or government coercion.<sup>2</sup> This study also commented on the risk such attitudes and diminishing levels of confidence pose for the social authorisation of livestock industries and the potential for this to lead to disruptive forms of protest.<sup>3</sup>

We are concerned that the failure to properly take into account community expectations is continuing under the current process of converting the national Model Codes of Practice for the Welfare of Animals into the Australian Standards

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<sup>1</sup> Adrian Franklin, 'Human-Nonhuman Animal Relationships in Australia: An Overview of Results from the First National Survey and Follow-Up Case Studies 2000-2004 (2007) 15 *Society & Animals* 7-27.

<sup>2</sup> Peter Parbery and Roger Wilkinson, *Victorians' Attitudes to Farming* (2012) Department of Primary Industries, Victoria 3.

<sup>3</sup> *Ibid.*

and Guidelines for the Welfare of Animals. Despite statements within the Standards and Guidelines regarding the importance of reflecting community expectations,<sup>4</sup> an independent review of the standards development process conducted by PricewaterhouseCoopers (the PwC Review) in 2013 found that the current process ‘lacks full consideration of broader community views and expectations on animal welfare.’<sup>5</sup> The PwC Review recommended that the ‘gap in understanding of community expectations’ be ‘addressed through focused social science research.’<sup>6</sup> We are not aware of any plans for such research to be undertaken in future standards development processes. It has not been considered for the current development of the Standards and Guidelines for the Welfare of Domestic Poultry.

Developing animal welfare standards in isolation to community views and expectations largely undermines the very purpose for having the standards. Current regulations fail to provide the community with confidence that animal welfare is protected in the course of producing food and fibre, and this in turn will expose livestock industries to the very social authorisation problems the standards were intended to address. If state and territory animal welfare regulations are to achieve their intended policy objectives of meeting community expectations, the process for developing the standards underpinning the regulations must be more inclusive of community views.

## **2. Do animal welfare regulations materially affect the competitiveness of livestock industries, and, if so, how?**

Australian livestock industry business and organisations are best placed to answer this question. However, any perceived impact that animal welfare regulations have on competitiveness must be balanced with the necessity for demonstrating strong animal welfare standards to the Australian public. Strong and effective animal welfare regulations are critical to the ongoing sustainability of livestock and other animal use industries. The Australia public has demonstrated on multiple occasions that it will not tolerate animal cruelty whether it occurs in the domestic or commercial realms of human/animal interaction. Without strong and effective animal welfare regulations entire industries can be crippled via public outcry and the political and government intervention that follows. This was demonstrated in 2011 following a *Four Corners* report on the horrific treatment of Australian cattle in Indonesian abattoirs which led to the entire trade being suspended by the Australian Government for several weeks. More recently, the Australian greyhound racing industry was rocked by revelations of live baiting. This led to multiple

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<sup>4</sup> See for instance, Preface of *Australian Animal Welfare Standards and Guidelines for the Land Transport of Livestock*, 2012.

<sup>5</sup> PricewaterhouseCoopers, *Review of the Animal Welfare Standards and Guidelines Development Process* (2013) Federal Department of Agriculture p.ii.

<sup>6</sup> Ibid, iii.

parliamentary and commission inquiries resulting in systemic and costly regulatory reforms for the industry in various states. It is therefore incumbent on industry and government to ensure that animal welfare standards are maintained and continuously improved, and that any measures to enhance competitiveness do not come at a cost to animal welfare.

**3. What are the reform priorities for animal welfare regulations, if any, and have recent reforms, for example in relation to the ESCAS, delivered net benefits to the community?**

The reform priorities for Australia's animal welfare regulatory framework were outlined in the *Australian Animal Welfare Strategy and National Implementation Plan 2010-2014* (the AAWS). The primary objective was to promote greater national regulatory consistency by converting the various industry-based Model Codes of Practice for the Welfare of Animals into partly enforceable Australian Standards and Guidelines for the Welfare of Animals. Improving national consistency in welfare standards is intended to benefit livestock industries by reducing regulatory compliance costs, particularly for businesses operating across state boundaries. This process commenced in 2004 but so far only standards for the land transport of livestock<sup>7</sup> have been fully developed and to date not all states have yet implemented these transport standards into state and territory law. Standards for the welfare of sheep and cattle have also been developed<sup>8</sup> but they are yet to be implemented at the state and territory level. New South Wales has already indicated that it does not propose to adopt these standards as mandatory requirements contrary to the national agreement for all standards to be regulated under state law.

Part of the delay in progressing this initiative can be attributed to the Australian Government's decision in October 2013 to withdraw from its national leadership position on animal welfare. This decision resulted in the cessation of all funding for the AAWS and its associated advisory bodies. To progress national consistency in animal welfare standards and reduce regulatory compliance costs for industry, the Australian Government must recommit to its role in coordinating national standards development and to funding the oversight and implementation of the AAWS.

RSPCA Australia was consulted on the recent reforms to the regulation of the live export trade including the consolidation of supply chain approval and auditing processes under ESCAS and in the streamlining of pre-export approval processes in the form of Approved Arrangements. In each case we expressed our concerns about the potential for regulatory oversight of the trade to be reduced as result of the

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<sup>7</sup> *Australian Animal Welfare Standards and Guidelines for the Land Transport of Livestock*, 2012

<sup>8</sup> *Australian Animal Welfare Standards and Guidelines for Sheep 2016; Animal Welfare Standards and Guidelines for Cattle 2016*.

reforms. Animal welfare assurances are a fundamental component of the trade's ongoing sustainability. Without such assurances, the very existence of the trade can be threatened as the events of 2011 demonstrated. Any benefit in terms of improving efficiencies in regulatory processes must not come at the expense of reductions in animal welfare checks and assurances. Net community benefits in this regard must be conceptualised broadly to include satisfying community concerns for animal welfare.

#### **4. How do variations between state and territory animal welfare regulations affect livestock businesses and/or consumers?**

Variations between state and territory animal welfare regulations affect livestock businesses and consumers in various ways. First, they increase compliance costs for livestock businesses especially when operating across state borders. Second, they can create an uneven playing field by placing those businesses operating in jurisdictions with strong animal welfare standards at a competitive disadvantage to those based in states with lower standards. New South Wales' decision not to regulate the sheep and cattle standards despite all other states and territories agreeing to do so is a case in point. Third, in addition to creating competitive disadvantages, jurisdictions that maintain low animal welfare standards may tarnish the reputation of the industry as a whole as poor and outdated husbandry practices are exposed and subjected to public scrutiny. Fourth, regulatory variations can create confusion for consumers as it makes it more difficult for them to gain information and assurances about particular livestock production practices. A prominent example of this may be found in the case of free-range eggs. There is no consistent legal standard for what free-range means in the context of egg production and consumer confidence in the market has suffered as a result.

It is for these reasons that we advocate for national approach to animal welfare policy and standards development. The Australian Government must recommit to its role in coordinating national standards development and to funding the oversight and implementation of a national animal welfare strategy so as to promote national regulatory consistency in animal welfare standards.

#### **5. What are the costs and benefits of national animal welfare standards? Are there any barriers to implementing national standards?**

Animal Health Australia, the body responsible for managing the standards development process, estimated in 2008 that it costs approximately \$226,000 to convert a Model Code of Practice to an Australian Standards and Guidelines document.<sup>9</sup> The actual compliance costs imposed by the standards will of course

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<sup>9</sup> Animal Health Australia, *Development of Australian Standards and Guidelines for the Welfare of Livestock - Business Plan* (2009), p. 7.

vary depending upon the content of the standards, however, it should be noted that the conversion process to-date has not ‘raised the bar’ on animal welfare standards from those already existing in the Model Codes so any additional costs imposed, if any, would be minimal. What is clear is that the costs involved in developing and complying with national standards are far outweighed by the benefits they produce. As discussed above, maintaining animal welfare standards that are acceptable to the broader community is vital to the social authorisation and ongoing sustainability of livestock industries. National standards facilitate regulatory consistency reducing compliance costs and promote consumer confidence.

There are several barriers to implementing national standards. Developing nationally consistent standards within a federal system of government is difficult at the best of times but without leadership and coordination on behalf of the Australian Government it is next to impossible. The Australian Government’s decision to withdraw from its leadership and coordination role has stagnated progress in developing national standards. Another barrier is the chronic lack of funding provided by state and territory governments to animal welfare generally and standards development in particular. State and territory governments must invest far more in the process to ensure national standards are based on the best available science, have adequately canvassed and taken into account community expectations, and have undergone robust analysis and scrutiny from a diverse range of stakeholders. A further barrier to implementing national standards comes in the form of political lobbying by state commodity and farmer organisations. Even when a set of standards have been finalised by stakeholder reference committees and endorsed for implementation by state and territory agriculture ministers, political lobbying by industry groups can nevertheless result in last minute changes to standards as they are being regulated, or in the case of NSW, not regulated at all. This is a reflection of the fact that state agriculture departments and ministers are especially susceptible to influence from state farming organisations and this raises broader questions regarding the governance arrangements for the development of animal welfare policy and standards.

## **6. Are animal welfare regulations appropriately enforced?**

We do not believe animal welfare regulations are appropriately enforced. Enforcement arrangements vary from state to state. In most states, enforcement responsibilities are shared between the department of agriculture (or equivalent) and the RSPCA. The most significant problem with enforcement arrangements comes down to a lack of funding and investment from state and territory governments. Each state and territory RSPCA receives an annual grant from the relevant administering department however these grants typically only account for a small percentage of the actual enforcement expenditure of the various state

RSPCA organisations. The investment by state and territory governments in their own animal welfare compliance capacities is also insufficient. A recent independent review of the administration of the Animal Welfare Act in Western Australia found that the Department of Agriculture and Food was ‘under-resourced to deliver a level of service to meet community and industry expectations’.<sup>10</sup> State and territory governments must invest significantly more resources in animal welfare compliance and enforcement functions if the community and industry are to receive the benefits and assurances that animal welfare regulations are intended to provide.

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<sup>10</sup> Easton, B, Lynsey, W, Mezzatesta, B, Mercy, A. *Report on an independent review of the investment and administration of the Animal Welfare Act 2002 in Western Australia*, October 2015.