

Regulation of Agriculture Draft Report - submission for Lyndell Whyte

5.5 Improving the effectiveness of farm animal welfare regulation

As a nation, Australia is heavily reliant on agriculture and animals comprise a significant percentage of our agricultural product. The fact that they are recognised as a food source should enhance rather than minimise the care they receive. They provide vital nutrition for us and therefore should be protected and nurtured.

In light of this, we urgently need an impartial and independent animal welfare body which focusses solely on the development of welfare standards for farm animals that are based on current animal welfare science and reflect community expectations.

In order to achieve this goal, I strongly support recommendations 5.1 and 5.2 of the Draft Report, relating to the regulation of farm animal welfare.

The independent body should also be responsible for overseeing the effectiveness of live export regulation and animal welfare enforcement at a state level.

Greater resources must be dedicated to animal welfare policy and enforcement at federal and state levels.

These reforms will improve community and consumer confidence in Australian livestock industries and the government's commitment to animal welfare.

5.6 Live export Regulation

Improving farm animal welfare must extend to those sent to live exports and the following are comments relating to the information contained in the report regarding the live export industry.

There has been acknowledgement by the live export industry that the ASEL require an overhaul, with particular reference to stocking densities and the amount of adequate substrate materials stipulated, but to date the government has largely ignored any substantial amendment of these standards. They were in fact flawed from the very beginning with no parliamentary debate and no discussion regarding the definition of animal welfare (Brand, Australian Live Animal Export: A comparative examination of viable alternatives. University of South Australia Law Review). I would urge the Government to re-examine the amendments proposed by organisations like RSPCA Australia submitted during the ASEL review and implement these as soon as possible.

It is generally acknowledged by most animal welfare organisations that because the OIE standards do not require mandatory stunning and also allow for the use of Mark 4 slaughter boxes they do not go far enough in guaranteeing animal welfare in the slaughterhouse. It is therefore imperative that standards and guidelines which reflect Australia's expectations and indeed its own practices be applied to the processes and procedures associated with live exports.

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The acknowledgement that a transition to a meat only export trade is possible is a considerable step forward in light of consistent government rhetoric over recent years. There has always been a categorical denial on the part of the government that such a transition was possible or feasible. The report's claim that the government would consider shutting down the industry if this desire aligns with Australian community expectations is naive at best and openly deceptive at worst. It has already been made clear that 78% of Australian people want live exports to end (Loneragan Research, WSPA Live Export Study Report (2012) 4-6). Four years on and as yet no action has been taken.

The constant reference to concerns about refrigeration and a lack of infrastructure are as outdated as they are insulting to our commercial neighbours. For example a study undertaken in Indonesia in 2010 highlighted that refrigerator ownership was as high as 68 per cent in the country's top 20 biggest cities (Jakarta Post September 2010). Six years on the situation has improved markedly particularly with the removal of the luxury tax on electronic products in 2015. Currently Indonesia imports chilled and frozen meat as well as live animals so clearly there is a market and it, like the demand for our chilled beef around the globe, is growing.

Similarly the notion that our presence in the live export trade has resulted in widespread improvement of animal welfare standards has little basis in fact. Not only is there no evidence that the philosophies and ethics associated with our animal welfare frameworks have been adopted by those outside the abattoirs, many of the countries to which we export have either substandard or absent animal welfare legislation and regulation. Additionally some of the worst atrocities such as was seen in Israel last year, occurred in ESCAS-approved facilities.

It is equally offensive to suggest that animal welfare could potentially be compromised by expense or cost. According to Dr Ross Ainsworth (Farmonline March 30 2015) customers in Asian markets are regularly paying premium prices for imported Australian beef in particular the Chinese, and this market will only continue to grow. Reuters (The Swelling Middle Class) states the global middle class will reach almost five billion by 2030 with the Asian region accounting for 64% of that and 40% of global middle-class consumption. This means a greater demand for high quality consumer goods including foodstuffs with ethical and sustainable provenance. Indeed our newest live export market Vietnam imports chilled and frozen meat from Australia, and according to the Weekly Times in September 2014, increased its boxed meat imports by 200 tonnes. In 2013 Vietnam imported more than 14000 tonnes of frozen beef from India, the country's largest single supplier (Beef Central March 18 2014). Vietnamese news outlet Tuoitre News revealed Vietnam imported more than \$85 million worth of frozen meats from 19 markets in the first nine months of 2014. When viewed in relation specifically to the EU-based markets this represented a 70-fold increase. In 2012 Vietnam imported one million tonnes of meat products from the EU. In 2014 that rose to 71 million tonnes (Global Meat News.com May 20 2015). Australia is therefore catering to the lowest

common denominator in the market and ignoring the potential the chilled and frozen beef market has.

In the Middle East the excuses are eerily similar and yet when live exports were suspended to Egypt, the country simply increased the amount of chilled and frozen meat it imported to make up the difference. Indeed Egypt's new policy to provide frozen beef at reduced affordable prices to food subsidy beneficiaries will result in a dramatic increase in demand. In 2016 it is predicted that beef exports will increase by 5.5% to 285000 metric tonnes with Brazil the largest supplier (GAIN Report August 2015). Iran has also paved the way for imports of frozen meat from Russia.

The predictions for China are positively stratospheric. Australian beef sales to China surged six-fold in three years to a record \$917 million in 2015, data from Meat & Livestock Australia show (Sydney Morning Herald February 9 2016). Yet lower value live exports are being considered for this market as well.

Thus there is a real risk that other markets will step into the breach but it will be for the higher value beef product while Australia continues to cling to the low value low welfare option of live exports. Surely it is better for farmers to sell their premium product at a premium price. The belligerent adherence to the live export business model makes no sense, ethically or economically.

Then there are the political implications. For example Indonesia's drive toward self-sufficiency last year saw an increase in tariffs on Australia cattle imports and a dramatic cut in the number of cattle imported in the second quarter of the year which left producers scrambling to find markets for animals. This type of uncertainty does not occur with the meat export market. It seems only to climb and climb.

This brings us to the regulatory aspect of the industry and the draft report.

It has been consistently proven that exporters are unable to maintain control of animals within the supply chain. In light of the substantial number of breaches of ESCAS, it is no exaggeration to state it has failed spectacularly in its defined purpose to 'ensure that Australian livestock exported for feeder and slaughter purposes are handled in accordance with international animal welfare standards and to provide a mechanism to deal with animal welfare issues when they occur — preventing the need for trade suspensions' (Commonwealth of Australia 2015a, p. 2). The hallmark of this system is its inability to deal with any animal welfare issues.

However, the Australian Live Export Council's claim that ESCAS has achieved its goal of regulating the industry and providing a greater level of assurance in regard to animal welfare is to some degree accurate, given that there was no such system in place prior to 2011. When the bar is set so low, even the slightest change or improvement will result in a positive result. But in terms of efficacy and oversight, ESCAS is failing at every turn.

The success of ESCAS cannot merely be assessed on the fact that one importer in the Philippines stated that his workers were more aware of animal welfare. This is anecdotal and there is no quantifiable data to reinforce it. Animals Australia is correct in saying that conditions have improved, but realistically in some cases they simply could not have deteriorated any further. It must also be acknowledged however that the widespread adoption of stunning has indeed been a considerable step forward for the processing of animals.

Similarly, this success is also challenged by the events which occurred in Vietnam this year and in 2015, as well as other horrendous accounts such as those which came out of Israel in 2015, combined with the more than 90 reports of compliance breaches listed on the Department of Agriculture's own website. Many of these have been outstanding for several years and the list is growing month by month with no resolution in sight.

Livecorp makes a legitimate point with regard to the absence of adequate legislation - there is indeed far too much in the way of discretion and far too little in the way of enforcement. Since ESCAS was implemented, regardless of how heinous the cruelty or how brutal, not one permit has been suspended or charge laid against an exporter for failing in their duty under ESCAS. The holes in the supply chain are considered outside of their control and they are therefore not responsible for what occurs. However, they are profiting from these animals and should recognise their responsibility to them.

And these profits are also the subject of much debate. The variations detailed in the costs related to ESCAS show that there is no clear picture of what those expenses are and what they entail. However, the cost to Australia's international reputation, and to the welfare of animals involved in the live export trade, are far greater than 77 cents an animal. This is particularly true when there are viable, profitable alternatives.

The best way to resolve the impost of expense associated with ESCAS is to process all animals here. Currently just seven per cent of cattle and six per cent of sheep are sent to live export (ABARES 2014). Indeed based on current infrastructure, Australia could process 100 per cent of sheep and 92 per cent of cattle. With sufficient investment in infrastructure, Australian processors could accommodate all animals (MLA 2015, Sapere 2013, AACo 2015).

Currently with national beef herds at their lowest ebb since the 1970s we are cannibalising a high value high welfare economic resource for something which is archaic and unbearably cruel. Repeated shutdowns in abattoirs across the country, most recently in northern Tasmania (The Examiner August 11 2016), make a mockery of the notion that the live export sector is creating jobs. In some rural and regional areas it is costing jobs.

Our meat industry is worth six times more than the live export industry (based on a ten-year average ABS and DAFWA 2004-2014), so there is a very real question as to why Australia is not investing further in an economic powerhouse that will continue to grow.

Overall, the entire ESCAS principle is ineffectual and almost useless given Australia has no sovereignty in foreign lands, and therefore cannot ever enforce legislation or regulate any economic operations overseas. This point sits at the very core of why ESCAS is not the most suitable model to regulate the industry. The transition from Australian jurisdiction to foreign oversight cannot be managed or catered for under the current system.

The report accurately synthesises this issue and identifies it as a problem.

But still ESCAS ploughs on, reducing oversight by decreasing the frequency of audits paid for by exporters. Realistically these cannot be considered as independent and unbiased in any way, but changes to the auditing process to placate the industry does limit public reporting and accountability. Animals Australia's assumption regarding industry self-reporting is accurate. This was evidenced in 2015 when a crisis meeting was called between ALEC and the exporters in Vietnam just days before footage of shocking abuse was released to the world (ABC March 11 2015). This footage was documented by Animals Australia. In addition the concept that exporters may be able to rectify issues before reports are submitted to the government appears to be a deliberate attempt to conceal issues. Indeed the report is correct when it states that 'audits provide an assessment at a single point in time so it is possible that non-compliance occurs outside an auditor's visit (Commonwealth of Australia 2015a)'. That review goes on to say that 'it is not known what proportion of non-compliance is detected and reported' (ESCAS Review pg 17). Finally it is all very well to refer to what DAWR could do, but the department does not do it. Rather the attitude has been obstinately, almost childishly precocious.

The loss of control referred to in the report and exemplified in Vietnam is a characteristic of the live export industry and will not ever be addressed by current systems. The introduction of measures like CCTV are outwardly proactive but the footage is not readily available and there is no indication as to who is monitoring the cameras if at all. Similarly unrestricted access by the exporter is little more than a hollow gesture. Of course they would have access. It does not mean any action will be taken. In May 2015 RSPCA Australia and Animals Australia presented ALEC with their own six-point plan (Beef Central May 28 2015) but to date none of the recommendations have been adopted. The pace at which the Australian government has raced into new markets contradicts any concerns regarding welfare and alternatives. In fact there is little hope with an Minister for Agriculture who proudly proclaims 'If it's protein and walks on four legs or hops on two and is bigger than a guinea pig than we are going to try and find a market for it' (Barnaby Joyce media release April 1 2015).

I support an increase in penalties for exporters as well as a broadening of 'monitoring, investigation and performance powers to deal with non-compliance'. I also believe reference to a 'reduction of the regulatory burden' on the part of the live exporters is unrealistic and unnecessary. They assume responsibility for these animals and they

profit from them. They therefore must be accountable. If anything regulation must be increased, defined and refined.

Regarding the recommendations by the industry, while it is disappointing that no recommendations from other organisations have been included, there are several points with which I agree. The implementation of adequate and overarching legislation is appropriate as is the introduction of suitably structured welfare conformance certifications. However, I do not agree with the notion of reasonableness. One of the primary barriers preventing animal welfare being appropriately assessed and interpreted is a lack of quantitative measurables. The addition of a term like reasonableness is a step further away from this goal and heralds a return to the indistinct and ill-defined vagaries of the days before animal welfare was considered a science.

Similarly, proposing that the government step away from the process to some degree may be a double-edged sword. On one hand it allows for the introduction of a more independent body to oversee the live export process but on the other it also provides a potential opportunity for the industry itself to fill the gap – an outcome which would be equally undesirable.

I agree with the concept of a global scheme which will safeguard the welfare of animals, but I do not support the development of such a body under the auspices of the live export industry. This is nothing less than putting the fox in charge of the hen house. Again such a process must be independent and free of any commercial influences which may result in a compromise of the wellbeing of the animals themselves.

The idea that The ESCAS is likely to impose an unnecessary regulatory burden on exporters that are operating in markets that have equivalently high standards of animal welfare is simply ludicrous. No other country with which we engage in live export trade has the level of animal welfare which Australia maintains. World Animal Protection's Animal Welfare Index places Australia at a C while Japan is a D. Indonesia is also a D while Vietnam is an F and China is an E (www.api.worldanimalprotection.org). Many countries do not have extant animal welfare legislation, so the idea that we are undertaking unnecessary work in terms of animal welfare is outrageous as is the suggestions that countries would be exempt from ESCAS.

Finally I again lend my support to the establishment of an independent office of animal welfare which could make considerable inroads in improving current live export regimens and spearheading a transition away from these.