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Submission by Humane Society International Australia on the Regulation of Agriculture Draft Report by the Productivity Commission

Humane Society International (HSI) is the world's largest animal welfare organisation with 65,000 Australian supporters, and over 12 million supporters worldwide. We are grateful for the opportunity to comment on the *Productivity Commission's Draft Report on the Regulation of Agriculture (Draft Report)*. HSI offers the comments below relating to animal welfare which we trust will be considered and will contribute towards improved animal protection measures.

In the scope of the *Draft Report*, HSI's key recommendation concerning animal welfare is the need for the formation of a whole governing entity, such as a 'Ministry of Food', which would encompass the role of independently regulating the welfare of animals destined for food production. We also provide extensive input on the section on Food Labelling given our expertise in Truth in Labelling for animal produce.

We welcome this chance as a timely opportunity for the identification of, and need for, discussion of these important issues.

REGULATION OF FARM ANIMAL WELFARE

Draft Recommendation 5.1 states:

The Australian Government should take responsibility for ensuring that scientific principles guide the development of farm animal welfare standards. To do this, an independent body tasked with developing national standards and guidelines for farm animal welfare should be established.

The body should be responsible for determining if new standards are required and, if so, for managing the regulatory impact assessment process for the proposed standards. It should include an animal science and community ethics advisory committee to provide independent evidence on animal welfare science and research on community values.

Over the past few decades animal agriculture has become increasingly intensified, with strong demands for maximum output teamed with minimum expenditure. As a result, animal welfare is often compromised and there is a growing need for independent monitoring. Consequently, public concern has grown, but their calls for increased transparency have largely fallen on deaf ears. HSI strongly supports Draft Recommendation 5.1 (above) and offers the following proposal to support it.

Ministry of Food

HSI believes there is an urgent need for the establishment of a 'Ministry of Food' within the Australian Government. Food security is the biggest threat to future populations and there is a growing move around the world to focus on these issues, but Australia is not taking notice. With droughts, floods and crop failures being a part of our landscape today, the government needs to ensure food security into the future. HSI urges you to consider the creation of a new governing entity which can effectively manage food security for future Australians as well as animal welfare issues under the broad banner of a 'Ministry of Food'.

The Ministry of Food would represent consumer demands, market behaviours, and regulate policy in regards to food in general. Especially in regards to the social, environmental and economic frameworks which food concerns fall into. Furthermore, given the current concerns over food issues, and the need for long term strategic management of the country's food supply, such a body could provide for strengthened management and national food policy planning.

HSI believes that the introduction of a 'Ministry of Food' would help to resolve a number of issues and also reassure the Australian public that animal welfare was not dictated by those who hold financial interests as a priority. The new Ministry would include a national and Independent Office of Animal Welfare (IOAW).

With climate change being the most important environmental issue of our time, it brings with it many serious challenges to urban food systems. Our food systems are already under huge pressure to deliver sufficient, safe, affordable and nutritious food to a growing population. Climate change will only exacerbate these pressures. The transformations required for attaining sustainable food systems in a changing climate provide an enormous opportunity to help achieve more resilient and sustainable city-urban-regions across all sectors and services.

The environment, human health, agriculture and food are intimately connected. The introduction of an eco-label could be considered which communicates to consumers the environmental impact of their food choices. This would also act to recognise and reward food producers with low environmental impacts and promotes more informed choices for consumers. Environmental sustainability should also be incorporated into the Australian Dietary Guidelines. Society is becoming increasingly aware that meat-based diets require farm more energy, land and water resources than plant-based diets. Furthermore, the over-consumption of meat strongly contributes to climate change and a range of health problems¹.

Food is a fundamental human right but one in nine people go hungry every day. Just tackling the waste would reduce the need to produce food by 40%. But that would mean taking on the supermarkets and legislating against 'best before' dates, and other built-in deceptions that help increase the profits of these giants. The establishment of a Ministry of Food would help to secure a sustainable and long term food supply for Australia.

Food waste levels across Australia are alarming. *Baker et al*, in a study for the Australia Institute, found that Australians spend \$5.2 billion a year on food that is not consumed². In a world of dwindling resources this amount of waste is mind boggling, but simple to rectify. A few simple changes would have a real and immediate impact. For instance we estimate that just abolishing the "Best Before" dates on products, we would reduce food waste by half. The establishment of a Ministry of Food could also help turn this issue into an opportunity, for example, creating soil-enhancing compost. More efficient food distribution would also help to alleviate the problem.

The Department of Agriculture is too conflicted to make these necessary changes because it would result in producers selling less product. Despite knowing that the current models are unsustainable and that food shortages are a probability of the future the Department of Agriculture has more interest in a profitable sector, than a sustainable future.

There is an obligation by government to ensure we produce or import adequate food to feed the nation. The human right to food is a fundamental one and it is vital that the government have systems in place to ensure that half of what we produce is not left in rubbish dumps around Australia. A Ministry of Food could ensure that maximum yield and minimum waste is brought into all food systems.

Currently the two major supermarkets control the retail sector and have an undue influence over laws and policies in Australia. The new Ministry could work more closely with the large retailers to transition to a more sustainable food system approach.

National food demands, markets, industries, policies and regulations are all governed by a diversity of government departments and separate supporting industry bodies. However, significant issues have arisen as a result of such divisions. The central role of food in society means that efforts to improve sustainability of our food systems will have multiple benefits.

¹ Hope Johnson, 'Eating for Health and the Environment: Australian Regulatory Responses for Dietary Change', QUT Law Review Volume 15, Issue 2, 2015.

² David Baker, Josh Fear and Richard Denniss, 'What a Waste: An Analysis of Household Expenditure on Food' (Policy Brief No.6, The Australia Institute, November 2009) 25.

Australia needs to take a leadership role in driving more sustainable food systems whilst integrating food and climate change in policy, planning and actions.

Independent Office of Animal Welfare (IOAW)

HSI supports the vision of the IOAW outlined by *Melissa Parke MP* in her speech to the House of Representatives in February 2013, but we stress that it should sit within the new 'Ministry of Food':

"As a statutory authority outside the agriculture portfolio, the office will be dedicated to animal welfare policy, science and law, and will be independent of undue influence from competing political and commercial interests...For the first time, the Australian government would be able to provide an expert animal welfare opinion free of the conflicts of interest that characterise existing arrangements. The office would take the lead role in managing the development of national animal welfare policy, including the standards and guidelines, and facilitating harmonised legal outcomes by the states and territories...It would oversee the live export system since this is a specific responsibility of the Commonwealth."

If this model is sanctioned it could potentially constitute a major step forward for animal welfare in Australia. Australia needs strong animal welfare standards which all Australians will support. Gandhi said, "the greatness of a nation and its moral progress can be judged by the way its animals are treated". A standard that simply represents the regulation of industry by industry, for industry, is blatantly damaging for animal welfare. The days where standards are heavily weighted towards industry need to end, and instead they need to benefit animals and society.

Draft Recommendation 5.2 states:

State and territory government should review their monitoring and enforcement functions for farm animal welfare and make necessary changes so that:

- *there is separation between agriculture policy matters and farm animal welfare monitoring and enforcement functions*
- *a transparent process is in place for publicly reporting on monitoring and enforcement activities*
- *adequate resourcing is available to support an effective discharge of monitoring and enforcement activities.*

State and territory governments should also consider recognising industry quality assurance schemes as a means of achieving compliance with farm animal welfare standards where the scheme seeks to ensure compliance (at a minimum) with standards in law, and involves independence and transparent auditing arrangements.

HSI supports part the statement above which recognises the need to review monitoring and enforcement functions for farm animal welfare in Australia. However, we believe that industry quality assurance schemes largely fail to improve standards of animal welfare because they are not mandatory, appropriate penalties are not awarded for breaches, and self-regulation by industry does not work for the best interests of the animals they should be protecting. As industry is generally driven by an objective to maximise productivity and minimise costs, animal welfare will often suffer and the result is a system that fails to meet community expectations. One such example is discussed further in this submission and relates to free range egg labelling.

The fact that industry is self-regulated has significant impacts not only on welfare standards implemented by producers, but also on consumers' ability to support sustainable industry practices through their capacity to make informed choices about the products they buy. Government must provide for the independent oversight of industry welfare standards to assure standards are not compromised.

Section 5.2 of the *Draft Report* (p175) states, *"But animal welfare and production and profitability do not always go hand-in-hand (box5.2). Some welfare measures can involve costs for farmers with little or no offsetting gains to the business. Examples include the use of pain relief for invasive procedures such as mulesing or castration, that impose costs with limited offsetting productivity improvements. Producers may still have an incentive to adopt such measures if the final product can be sold at a higher price – examples are free range eggs and pork – although prices for these products may not relate to other (non-housing related) welfare attributes, such as use of invasive procedures without anaesthetic."* HSI believes that denying farm animals of basic welfare measures such as pain relief during invasive procedures simply because they have no economic benefit to the producer is morally and ethically unsound, and would not gain the support of the majority of society if they weren't carried out behind closed doors. If a member of the public carried out a similar act on their pet, they would risk being prosecuted for animal cruelty. Animals bred and raised for food deserve the humane treatment that consumers assume to be part of everyday production practices.

The practice of mulesing is raised above as a 'necessary' invasive procedure, but this is simply not the case. Mulesing is not commonly used in other countries, and is banned in most. Although it has become accepted as standard practice in Australia, it carries hefty animal welfare implications and the wool industry is now being forced to consider changing its ways. Sheep farms are now under pressure to produce wool from un-mulesed sheep as more consumers oppose the cruelty aspect. Meanwhile Australia is losing market share for not addressing the problem. Pain relief, namely Tri-Solfen, is only used for around 20% of Australian lambs, and HSI believes the relief it provides is highly inadequate anyway. A simple

solution is available though, and it is even one which is economically beneficial to the farmer. The answer is through careful genetic which can be used to breed plain-bodied sheep that do not require mulesing. Not only can they produce mules-free plain bodied sheep, they can also eliminate the need for tail docking, improve heat, humidity and cold tolerance, improve productivity and feed conversion efficiency, and more. Without wrinkles, they are also easier to shear. This approach uses the Soft Rolling Skin or SRS system developed by veterinarian and former CSIRO scientist Dr Jim Watts, and has already been adopted in hundreds of farms in Australia, sometimes as rapidly as just three years. Through authority by the IOAW, under the Ministry of Food, government should incorporate this system into legislation to help guarantee a future for Australia's wool industry before more international buyers and retailers go elsewhere for their wool.

LIVE EXPORT REGULATION

HSI is strongly opposed to the export of live animals from Australia and believes that with modern refrigeration methods the animals could be slaughtered in Australia and exported after processing. As more information becomes available, it suggests there is probably no humane way to transport animals over long distances by sea or land, and the economic advantage of considering welfare becomes clearer. For example, any short-term costs in slaughtering animals close to the farm where they are produced will be covered by the long-term benefits of avoiding disease spread and reduced meat quality. A meat-only trade costs far less to enforce than complex live transport legislation. It has been over 125 years since the first frozen meat carcasses were sent around the world. Old-fashioned live transport has already been partly replaced by a growing meat trade, and 21st century chilled and frozen facilities are increasingly available.

The *Draft Report* states that, “*It is critical that the community has confidence in the system used to regulate live exports. Incidents of mistreatment of animals in facilities that are within the purview of the ESCAS and that are overseen by the Australian livestock industry reduce community confidence in the trade and the regulator’s effectiveness.*” (p222). HSI believes that the community has a distinct lack of confidence in the regulation of the trade. Since the introduction of the ESCAS, no penalties have been awarded to any parties for non-conformance despite numerous serious breaches. For the trade to continue it is crucial for it to incorporate a system which comprehensively tracks compliance and deters any form of breach or leakage. Livestock traceability is crucial to help prevent and track problems of leakage through the use of an IT system to monitor the flow of livestock through to the point of slaughter.

Despite some improvements since the introduction of the ESCAS, it has still not earned community confidence due to the high incidence of serious animal welfare breaches that have been graphically publicised since its introduction. The addition of the Livestock Global Assurance Program (LGAP) may assist in some areas, but HSI still has some major concerns that need further consideration, as follows:

- LGAP is a voluntary system – it needs to be made mandatory across all participating facilities.
- LGAP should apply throughout the entire livestock supply chain.
- LGAP fails to incorporate a system to monitor the flow of livestock through to the point of slaughter.
- LGAP needs to comprehensively track compliance and deter any form of breach or leakage.
- The Australian Government should still maintain some level of authority once LGAP is operating to ensure that animal welfare standards are met and strict penalties are imposed for non-compliance.
- World leading expert in animal behaviour, Professor Temple Grandin, has reported that research agrees that throat-cutting without stunning does not induce instantaneous unconsciousness³. HSI therefore strongly urges for LGAP Standard 1001 to be amended to make stunning (rendering an animal unconscious and insensible to pain) before slaughter mandatory for all livestock.
- HSI strongly urges for LGAP Standard 1001 to be amended so that the use of full inversion slaughter boxes are banned in all facilities operating under LGAP.
- The use of electric goads should not be allowed at any point in the supply chain (ref LGAP Standard 1001, Clause 7.7).
- In LGAP Standard 1001, Clause 9.19, HSI advises that if females are found to be pregnant at the abattoir and a live foetus is identified after she is slaughtered, the foetus should be removed 20 minutes after slaughter and killed immediately using a captive bolt.
- HSI supports the introduction and mandatory use of live video surveillance in all areas where livestock are handled – this should be reflected in LGAP Standard 1002.

HSI does not support the continuation of the live export trade, but would support a frozen carcass trade. If the live trade is

³ Grandin, T. and Smith, G.C., 2004, *Animal Welfare and Humane Slaughter*, Department of Animal Sciences, Colorado State University, available online <http://www.grandin.com/references/humane.slaughter.html>.

continued despite increasing community concerns, then HSI supports the statement in the *Draft Report* (p222) that recommends that an independent body on animal welfare could play a role in its regulation. Other elements such as greater transparency, strict penalties for welfare breaches, independent vets to be made mandatory on every voyage, and independently monitored CCTV footage at all facilities where livestock are handled may assist with community confidence, although ultimately the only solution to eliminate animal cruelty would be to end the trade. HSI does not believe this would just result in countries making up the numbers from other markets with lower standards thereby allowing further mistreatment, but rather setting a courageous example to the world that Australia is not willing to allow its animals to be cruelly mistreated.

BIOSECURITY

Biosecurity and Avian Influenza

Section 7.3 of the *Draft Report* discusses the '*Benefits and costs of biosecurity*'. Biosecurity is an issue that needs to be addressed by the intensive egg industry and the genuine free range farmer especially as the growth of backyard egg production expands along with the number of small family farms that are taking advantage of the growing market for free range or pastured eggs. However, the disease burden of free range hens is significantly lower than birds kept in conditions that are conducive to disease providing ideal conditions for bird flu to spread rapidly and possibly mutate into something more deadly.

It is very unfortunate that the Federal Minister for Agriculture saw fit to use the 2013 outbreak as a weapon in his mission to prevent Woolworths from phasing out caged eggs. In response to the outbreak of avian influenza (AI) in Young NSW, Hon Barnaby Joyce seized the opportunity to lay the blame for the outbreak on the free range egg industry. A very timely opportunity given his public outrage at plans by Woolworths to cease selling eggs from caged production facilities by 2018.

The statements made by Mr Joyce have been very prejudicial to the free range industry and unjustly so as there is no evidence that free range hens were the vector for this disease outbreak. While we do acknowledge the possibility that bird flu could infect a free range farm, further investigation has revealed that Mr Joyce's comments are ill informed, premature or serve another agenda.

It is a fact that approximately 500,000 hens were culled as a result of the Young outbreak of AI. What was not reported is that only a small portion of those hens were in a 'free range' production system, the majority were caged hens. The hens on the Young 'free range' farm were stocked at an enormous 80,000 hens/ha which is hardly free range when compared to those who abide by the guidelines of the Model Code (stocking a maximum of 1500 hens/ha). In fact, there has never been an outbreak of AI recorded on a true free range farm in Australia.

The Development Application Approval⁴ (Young Shire Council, 2013, p.39) for the farm in question and the free range section of this farm consisted of very large sheds in close proximity to one another with very small outdoor runs between each shed. This operation is not consistent with the general perception of free range production.

The statements made by Mr Joyce to the media did not mirror the findings of the National Avian Influenza Surveillance Dossier⁵ (Office of Chief Veterinary Officer, 2010). This extensive document does not reveal any evidence of any outbreaks of AI being caused by or even affecting genuine free range egg producers. Egg farmers that follow the guidelines of the *Model Code of Practice* and stock hens at 1500 hens per hectare and provide pastures for hens to graze that include good shade, shelter and rotation have remained free of the disease.

The Dossier confirms the following:

- Of the five confirmed outbreaks of AI in the past, all were on commercial farms using intensive farming practices and confining birds to sheds at high stocking rates.
- The health of some birds was already compromised and affected with a complex of diseases and some affected farms referred to as "poorly managed".
- Poor biosecurity practices identified on all farms.
- In three of the five outbreaks, untreated or poorly treated, drinking water was identified as a possible source of AI.
- In two of the five outbreaks the sharing of personnel between farms was identified as a possible source of AI.

The 2013 outbreak at Young falls in line with past bird flu events in that it is a very intensive operation with high stocking

⁴ Young Shire Council (2013, October). *Meetings*. Retrieved from Young Shire Council: <http://www.young.nsw.gov.au/images/Meeting/160909BP.pdf>

⁵ Office of the Chief Veterinary Officer. (2010). *OCVO (2010) National Avian Influenza Surveillance Dossier*. Canberra: Department of Agriculture, Fisheries and Forestry.

rates inside sheds. The farm also collects and stores water on the property providing a source of possible contamination (Young Shire Council, 2013).

Research shows that it is confinement on factory farms that contributes widely to the spread of avian flu. Firstly, in 2005 the United Nations warned against the over-simplified perception that wild birds are the main cause of avian flu, outlined in this article titled *"UN task forces battle misconceptions of avian flu, mount Indonesian campaign"*⁶:

"A new United Nations task force warned today against the "over-simplified" perception that wild birds are the main cause of avian flu, and urged immediate measures be taken among both domestic and wild bird populations to guard against its possible transference, while a UN task force in Indonesia begins a door-to-door campaign to help poultry farmers deal with the pathogen. Governments, local authorities and international agencies need to take a greatly increased role in combating the role of factory-farming, commerce in live poultry, and wildlife markets which provide ideal conditions for the virus to spread and mutate into a more dangerous form, the Task Force convened by the UN Environmental Programme (UNEP) Convention on Migratory Species (CMS) said today. "We are wasting valuable time pointing fingers at wild birds when we should be focusing on dealing with the root causes of this epidemic spread which are clearly to be found in rural poultry practices, the movement of domestic poultry, and farming methods which crowd huge numbers of animals into small spaces," Task Force observer, and director of Field Veterinary Programme of the Wildlife Conservation Society, William Karesh said."

An article in the Huffington Post titled, *"We Are Not Safe From Bird Flu as Long as Factory Farms Exist"*⁷ dated 3rd April 2013 states: *"Wild aquatic birds are the primordial source of all influenza A viruses -- the ones that have the potential to cause pandemics. However, people rarely become infected directly from aquatic birds. Usually, an intermediate host must be involved. This intermediate host provides the right biological setting for the virus to transform into something that can easily infect a human. And that's where chickens and other farmed animals come in. Most avian influenzas are mild, low-pathogenic (i.e., not very lethal) viruses. However, once they enter poultry factory farms (through insects or workers carrying the virus, for example), they can rapidly mutate into highly-pathogenic (very lethal) viruses, even over very short periods of time. Since 1990, outbreaks of highly-pathogenic virus subtypes have increased substantially among farmed birds compared with the years prior to 1990 (3, 4). The intensive confinement of birds has been found to facilitate both the increasing frequency and scale of these outbreaks (3, 5)."*

Also, in the Independent (UK) in February 2006, an article titled, *"Factory farms blamed for spread of bird flu"*⁸ also comments, as follows: *"Factory farming and the international poultry trade are largely responsible for the spread of bird flu, and wild birds are being unfairly blamed for the disease, a new report says."*

To reduce the incidence of bird flu it is clear that we should be reducing the number of intensive egg farms which keep thousands of birds in close proximity.

Biosecurity and Farm Trespass

The *Draft Report* states:

INFORMATION REQUEST 7.1: Participants raised concerns about farm trespass, particularly as trespass can increase biosecurity risks. What strategies could be used to discourage farm trespass? Are existing laws for trespass sufficiently enforced in relation to farm trespass?

Over the past few decades animal agriculture has become increasingly intensified, with strong demands for maximum output teamed with minimum expenditure. As a result, animal welfare is often compromised. Community concerns have resulted in calls for increased transparency, but this has largely been ignored. Transparency can be improved through simple measures such as improvements in product labelling, the installation and independent monitoring of CCTV (closed-circuit television) cameras in all commercial animal facilities, and the introduction of programs that allow the public to visit farms to see production methods first hand.

If animal protection laws were adequate with sufficient compliance monitoring and enforcement, then there would be no need for undercover investigations to expose cruelty and neglect. These duties are instead often left to charitable organisations who have limited resources and staff, relying on public donations. Today, most animal cruelty cases are reported by animal

⁶ 24 October 2005: 'UN task forces battle misconceptions of avian flu, mount Indonesian campaign' - <http://www.un.org/apps/news/story.asp?NewsID=16342&Cr=bird&Cr1=flu>

⁷ Huffington Post (3 April 2013): "We Are Not Safe From Bird Flu as Long as Factory Farms Exist" - http://www.huffingtonpost.com/aysha-akhtar/bird-flu_b_2798136.html

⁸ Independent (UK) (February 2006): "Factory farms blamed for spread of bird flu" - <http://www.independent.co.uk/environment/factory-farms-blamed-for-spread-of-bird-flu-467770.html>

activists and animal protection groups. Without their investigations, this cruelty would continue, hidden from public scrutiny. HSI is not aware of any major exposé's having resulted from investigations by official animal protection authorities.

HSI suggests that first and foremost, the Federal Government increases transparency in animal industries through strict and extensive independent monitoring, as well as imposing heavy penalties to those who breach the law. There also appears to be a significant conflict of interest given that the Department of Agriculture often oversees both the growth of an industry as well as the welfare of the animals it utilises, for example for live animal export. This could clearly have an impact on how many cruelty cases are reported and the outcome of those cases.

The logical solution to this issue, which HSI strongly advocates, is the establishment of a Ministry of Food which incorporates a national and independent Office of Animal Welfare. This Office would sit outside the agriculture portfolio, dedicated to animal welfare policy, science and law. In the hands of the Department of Agriculture, decisions involving animal welfare have inherently favoured economic gain, resulting time after time in animal welfare disasters. The Office of Animal Welfare should sit within a new Ministry of Food.

The introduction of "ag-gag" bills across the United States has been met with extensive opposition. Only four bills out of 20 have been successfully passed since 2011. In 2013, state legislatures looked at 15 bills that would criminalise unauthorised videotaping on farms and ranches. Of those, 11 were considered, and all failed.

Undercover investigations that expose animal cruelty are a sad necessity caused by inadequate monitoring and duty of care under the current system. The introduction of an ag-gag bill would unfairly target undercover investigators and investigative journalists who are simply exposing unlawful activities to the public. Long-term investigations are often necessary to uncover systemic animal welfare breaches, and such cruelty would continue to take place unchecked if such a bill is passed.

HSI believes that the public have every right to be informed of the industry practices revealed by undercover investigations allowing them to make informed choices about what they choose to support. An ag-gag bill would simply protect those who abuse or neglect animals from being exposed.

HSI believes that ag-gag bills would stop investigators, and the public, from learning about the inhumane and hazardous practices that some elements of the industry consider business as usual. These attempts to criminalise whistleblowing put animal welfare, and the wellbeing of people and communities, in jeopardy.

FOOD REGULATION

Truth in Labelling

As stated in the *Draft Report* on page 24, "Governments in Australia regulate food to support public health and safety and inform consumer decisions about food." It continues, "Food labelling regulations seek to ensure that labels convey correct and relevant information to consumers, while regulations regarding the production process protect consumers against unsafe practices."

HSI believes that it has never been more difficult for consumers to make informed choices when purchasing animal-derived food products. As public awareness of the plight and suffering of the more than 500 million animals in factory farm environments continues to grow, consumers are faced with an abundance of poorly defined terms and product labels that are increasingly difficult to decipher, and are devoid of any information on the farm production methods used. Without adequate truth in labelling laws and regulations, consumers are not in a position to make informed choices. This should be the right of all Australians.

Through our *Truth in Labelling Campaign*, HSI has been urging the government to develop a national scheme for the mandatory labelling of the method of production on all meat, eggs and dairy products, which would allow the use of a limited number of nationally consistent and legally defined terms to describe the production method. These terms would relate to criteria on the source of the product, the type of housing provided and specific animal welfare standards of husbandry, transport and slaughter. A standard of this nature would enable consumers to make informed purchasing decisions on the basis of health, environmental and ethical considerations.

Truth in labelling of animal welfare-related production methods will, among other things:

- Assist consumers to make suitably informed choices
- Protect genuine free range producers
- Prevent the use of misleading and deceptive labelling and marketing practices
- Allow the *Australian Competition and Consumer Commission (ACCC)* to prosecute misleading and deceptive conduct relating to food labelling in this area.

“Method of Production” labelling of animal-derived food products: A national approach

The absence of mandatory and legislated labelling terms for the method of production of meat products has led to a suite of voluntary terms, standards and third party certification schemes of varying regulation that have resulted in the big producers redefining the terms to suit themselves. Consequently, consumers are left with a spectrum of products produced under a range of conditions with ambiguous labelling. Establishing method of production as a national mandatory key labelling standard provides the opportunity to address animal welfare consumer concerns.

The need for “Method of Production” labelling

Consumer awareness of the ethical, environmental and health considerations involved with factory farming production methods is growing, and consumers are increasingly wanting to make informed choices on the animal-derived food products they purchase.

The growth of these industries is supported by shifting consumer attitudes to the purchasing of animal-derived products. In 2009 HSI conducted a National Consumer Survey from which just over 3,000 responses were analysed and it demonstrated that there is a clear demand for labelling reform. Specifically, 98.3% of respondents believed that full and adequate labelling is every consumer’s right, yet only 7.4% believed that current labels give enough information to allow them to make informed purchasing decisions⁹. Furthermore, a Green Shopper Survey conducted in 2010 by the Australian Food and Grocery Council showed that 36% of Australian shoppers are prepared to pay more for green products, but only 13% bridge the ‘green gap’ and take action by purchasing sustainable food¹⁰. However, results further suggested one main reason is consumer confusion.

The welfare of farm animals is of rising concern to the public, and this has resulted in a concurrent increase in consumer demand for transparency in the food production industry. Both within Australia and internationally, a number of consumer surveys have gauged public attitudes to factory farming and purchasing behaviour of animal-derived food products. With the majority of survey respondents expressing aversion for inhumane production methods such as battery farms, and willing to pay more for free range eggs and meat products, these surveys demonstrate the importance of ethical considerations for consumers when making purchasing decisions.

Despite evidence of a growing sensitivity to the treatment of farm animals and a willingness by consumers to pay more for humane produce, the purchasing behaviour of these consumers may be influenced by a number of factors. For example, a preoccupied shopper in a supermarket may be swayed by price, promotion, advertising, or social pressures causing them not to ultimately choose ethical produce. This is explored in a research paper published in the *University of New South Wales Law Journal* by Aaron Timashanko¹¹. He found that, “consumers must not only be *willing* to pay more for humanely produced products, but must actually do so at the retail outlet.” Supermarkets offer staples such as eggs and milk at very low prices in an effort to persuade ethical consumers to buy them, despite their moral concerns. Cost is also an important limitation. Timashanko found that, “product demand cannot be relied upon as an indication of consumer values on animal welfare as it fails to account for those individuals who are concerned about the treatment of animals but are unable to afford the more expensive, welfare-friendly products.” He also points out the impacts of social forces such as the influence of family pressures, partners, friends, tradition and culture. He concludes, “Only government regulation can provide a level of animal welfare protection that reflects society’s actual values on the subject. Relying upon consumer demand to influence suppliers to improve their welfare standards will not achieve this, as it ignores the market, political and social considerations that influence an individual’s purchasing decisions. Government regulatory intervention may take the form of legislation, such as prohibiting caged eggs, gestation crates and sow stalls, or through enforceable regulations. Alternatively, the government could tax suppliers that incur ‘negative animal welfare externalities’, or provide subsidies to suppliers ‘producing animal welfare goods, where those goods are not valued by the market’.”

The EU strategy on animal welfare¹² laid the foundation for improving welfare standards from 2012 to 2015, as well as making sure these standards are applied and enforced in all EU countries. The strategy identifies the main common drivers affecting the welfare status of animals, one being: “An EU-wide survey shows that animal welfare is a significant issue for 64% of the population. However studies show that concern for animal welfare is only one of the factors affecting consumers’ choice and often this aspect does not come into play since they are not always well informed about the methods of

⁹ Humane Society International (HSI), ‘National Consumer Survey – labelling’, November 2009

¹⁰ ECOS, 2010, ‘What’s in a label?’, Aug-Sept., <http://www.ecosmagazine.com/?paper=EC156p20>

¹¹ Aaron C Timoshanko, “Limitations of the Market-Based Approach to Farm Animal Welfare” [2015] UNSW LawJl 18; (2015) 38(2) *University of New South Wales Law Journal* 514

¹² European Commission – Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee on the EU Strategy for the Protection and Welfare of Animals 2012-2015, (15.2.2012), http://ec.europa.eu/food/animals/docs/aw_eu_strategy_19012012_en.pdf

production and their impact on the welfare of animals. Ultimately consumer decisions are driven mainly by price and directly verifiable characteristics of food products.” They identified a strong consumer demand for better information on how farm animals are treated. The information needs to be transparent, backed by scientific facts, easily accessible and understandable, protecting consumers from misleading claims.

Despite demand and growth in awareness, animal-derived food products are still labelled with a confusing and incoherent abundance of poorly defined and unregulated labelling terms. These include: caged / battery eggs; barn laid eggs; free range, open-range or range eggs; grain fed; bred free range; organic and bio-dynamic. None of these terms have a nationally consistent legal definition, or enforceable standards. A suite of such voluntary standards and third party certification schemes of varying regulation have resulted in the big producers redefining the terms to suit themselves¹³, and have left consumers with a spectrum of products produced under a range of conditions. This ambiguity does not facilitate the ability of consumers to make informed product purchases.

An inquiry and reporting¹⁴ into meat marketing in 2009 named the *Senate Standing Committee on Rural and Regional Affairs and Transport* concluded,

“...it is currently too easy for food producers to make dubious claims about their animal welfare practices on the labels seen at retail level. This is because it is too difficult for the ACCC to prosecute misleading and deceptive conduct in this area when the meaning of these descriptors are broadly understood but not clearly defined. Any misuse of animal welfare descriptors such as 'free range' threatens the competitiveness of genuine producers bearing the increased costs associated with meeting high animal welfare standards. Animal welfare-related labelling should be subject to tighter controls to protect both consumers and genuine producers”.

A good example comes from an analysis of egg industry data for 2006 – 2007, which illustrated that producers are substituting cage eggs for eggs labelled as free range. In order to produce the quantity of eggs sold as free range according to Australian Egg Corporation data, the overall flock of laying hens would have needed to increase by over 200,000. In actual fact, they decreased by 6% during that time period, indicating that 36.8 million eggs, or just over 16% of eggs produced, were incorrectly labelled¹⁵.

Health Considerations

*In Australia, the amount of antibiotics used in animals is greater than in humans*¹⁶.

Clear and mandatory labelling of the method of production of animal-derived food products is necessary to allow consumers to make informed decisions based on health considerations.

Studies have shown that *“...there is no Australian focus on antibiotic resistance and the issue has dropped off the political agenda”*¹⁷, and that *“Australia needs to establish systems for monitoring and surveillance of antibiotic resistance in human and animal isolates”*¹⁸.

A suite of drugs and medicines are used during animal production in intensive farming practices. Antibiotics, in particular, are routinely used in factory farming environments to control disease associated with raising animals in cramped conditions, and promote animal growth. There have been recent reports that the heavy use of such antibiotics on factory farms is creating a range of antimicrobial-resistant superbugs, including resistant versions of salmonella, campylobacter and *E. coli*, that may be transferred to humans through meat consumption¹⁹. This issue has been recognised by the *World Health Organisation* and there have been calls for a reduction in the use of antibiotics on farms as a result²⁰, and recognised by the *United Nations Food and Agriculture Organisation (FAO)* that *“Intensive industrial farming of livestock is now an opportunity for emerging diseases”*²¹.

¹³ Choice July 2008. Free-range phony? How free are the hens that lay “free-range” eggs?

¹⁴ The Senate Standing Committee on Rural and Regional Affairs and Transport (2009). Meat Marketing. Final Report. Commonwealth of Australia. P.33 http://www.aph.gov.au/Senate/committee/rrat_cte/meat_marketing/report/report.pdf

¹⁵ Burke K (2009). Free-range egg claims don't add up. Sydney Morning Herald, 6 September 2009.

¹⁶ Collignon, P., 2009, The use of antibiotics in food production animals; does this cause human health problems?, RSPCA Scientific Seminar, p.1

¹⁷ Barton, M., 2010a, Antibiotic resistance in Australian animals in 2010 – what lies ahead? [paper], APVMA Science Fellows Symposium, April 19, p.1

¹⁸ Ibid., p.4

¹⁹ Putting Meat on the Table: Industrial Farm Animal Production in America. A Report of the Pew Commission on Industrial Farm Animal Production.

²⁰ Poulter S. Factory farms “to blame for new superbugs”. Daily Mail, 11 August 2008.

²¹ Senior FAO official, Madec F and Rose N, 2003, How husbandry practices may contribute to the course of infectious diseases in pigs, In: 4th International Symposium on Emerging and Re-emerging Pig Diseases, Rome, Italy, June, pp. 9- 18, available online at <http://BirdFluBook.org/resources/Rose9.pdf>

A recent UN FAO reported that:

Public animal-health and food-safety systems need to recognize that the impacts of livestock disease and food borne illnesses vary across countries and production systems depending on their economic status. The capacities of different groups to respond to these challenges, and the incentives needed to encourage them to do so, must be considered in the design of disease control and risk-management strategies²².

With increasing evidence of the public health implications of animal production, a stricter food labelling policy must be implemented to provide consumers with warnings about potential health risks.

Environmental Considerations

At a time when land, energy and water are scarce and costly, lower-input farming would be more environmentally efficient than intensive farming and is capable of providing adequate nutrition for the nine billion people of 2050²³ ...The most effective and fairest solution for reducing global livestock-related GHG emissions is to reduce the consumption of factory farmed products²⁴.

Consumers increasingly want to make environmentally conscious purchasing decisions, and clear and adequate method of production labelling will allow them to do so.

It is now commonly acknowledged that rural industries and meat farming contribute greatly to atmospheric carbon dioxide concentrations, and are subsequently one of the leading causes of global warming. The *UN's Food and Agriculture Organisation* reported that livestock contributes to approximately 18% of greenhouse gas emissions (measured in carbon dioxide equivalent)²⁵. However, it has recently been purported that a shift to free range production methods would not only reduce emissions associated with livestock industries, but would concurrently reduce the effects of global warming by sequestering carbon out of the atmosphere. As there is more carbon stored in soil in comparison with the atmosphere, free range farming methods can contribute to the better management of that bank of carbon. By moving animals frequently, it allows the grass to accumulate the carbon. The animals then trample the soil, enabling it to absorb the carbon. When the animals are moved, the grass is allowed to re-sprout and the process is repeated²⁶. Such free range farming effectively mitigates the methane emissions associated with raising cattle²⁷. Studies are also showing that cattle grazing on healthier grass that is allowed to regenerate produce up to 20% less methane during digestion²⁸, thereby directly contributing to a reduction in greenhouse gas emissions.

Livestock production processes impact water quality by releasing nutrients, pathogens and other substances into water systems²⁹, which often lead to environmental problems such as eutrophication and oxygen depletion. To illustrate the extent of its impact, it has been reported that around 30% of nitrogen that pollutes water in the EU and the US is a result of agriculture³⁰.

Furthermore, water usage on intensive farms is far greater than that used with free range production methods. For example, a free range pork producer would use seven times less water than an intensive farm with the same number of breeding sows³¹.

The impact intensive livestock production has on waste management is significantly greater than less intensive systems. Reports show that the processes involved with intensive systems – indoor animal rearing, increased demand for feed etc. – results in a depletion of natural resources and breaks the links between livestock and the carrying capacity of the land and its ability to recycle wastes³².

²² UN FAO, 2009, State of Food and Agriculture Report, Rome, <http://www.fao.org/docrep/012/i0680e/i0680e00.htm>

²³ Compassion in World Farming (CIWF), 2009, Beyond Factory Farming: Sustainable solutions for animals, people and the planet, United Kingdom, p.11.

²⁴ Ibid., p.8

²⁵ UN Food and Agriculture Organisation (FAO), 2006, Livestock's Long Shadow: Environmental issues and options, Rome, <http://www.fao.org/docrep/010/a0701e/a0701e00.htm>

²⁶ Can cattle save us from global warming? J Walljasper. 30 June 2008. <http://www.eatwild.com/environment.html>

²⁷ Finishing cattle on pasture may reduce greenhouse gases. Eatwild.

²⁸ Methane emissions of beef cattle on forages: efficiency of grazing management systems. DeRamus HA, Clement TC, Giampola DD & Dickison PC 2003. Journal of Environmental Quality 32(1): 269-277.

²⁹, 2006, Livestock's Long Shadow: Environmental Issues and Options, p. 273, <ftp://ftp.fao.org/docrep/fao/010/A0701E/A0701E00.pdf>

³⁰ Compassion in World Farming (CIWF), 2009, Beyond Factory Farming: Sustainable solutions for animals, people and the planet, United Kingdom, p.9

³¹ The environmental benefits of free range farming over intensive farming. Humane Society International. <http://www.humanechoice.com.au/news.html>

³² Compassion in World Farming (CIWF), 2009, Beyond Factory Farming: Sustainable solutions for animals, people and the planet, United Kingdom; UN Food and Agriculture Organisation (FAO), 2006, Livestock's Long Shadow: Environmental issues and options, Rome, <http://www.fao.org/docrep/010/a0701e/a0701e00.htm>

Ethical Considerations

Consumers must have the right to make informed purchasing decisions that align with their ethics and belief systems. The conditions in which the 500 million animals currently in factory farming environments are housed and treated are now widely documented. As education campaigns inform consumers of the common practices in these environments, including cramped and often inhumane living conditions and cruel husbandry practices, increasing numbers of consumers are choosing to purchase more ethically produced products, quite often at premium prices. HSI's 2009 National Consumer Survey reported that, in fact, 95% of respondents were prepared to pay a little more for ethically produced food. Furthermore, the use of terms and marketing practices promoting "happy" and "free" animals by producers shows that there is an increasing demand for such produce, and an urgent need for a nationally consistent labelling scheme to protect consumers and to assist them in being able to identify those products that are produced according to humane production methods and standards.

International Precedents

Australia is clearly lagging behind the European Union when it comes to the labelling of animal-derived food products. Since 2004, the EU has required the mandatory labelling of egg production systems³³, and has simplified labelling on egg cartons by only allowing the use of the terms "free range eggs", "barn laid" and "eggs from caged hens". Furthermore, "free range" and "barn laid" are defined in legislation according to detailed standards³⁴. The EU also proposed an "*EU animal welfare label*" which would classify products "*produced under high welfare standards linked to standardised scientific indicators*"³⁵. Currently their strategy is orientated towards considering the development of a means to better inform consumers on animal welfare friendly products that could be used by both producers and retailers, ensuring a transparency to consumers without overloading them with information on the label³⁶.

The UK, following an inquiry into the state of the national pig industry, created an *Industry Code of Practice* on pig meat labelling which provides a set of product descriptions covering on-farm animal rearing methods. "*The Code removes consumer confusion that has been reported under the current food labelling regulations*"³⁷. The EU is following suit in developing rules that will require manufacturers to improve labelling on meat products, including country of origin³⁸. In the European Union, Method of Production (MoP) labelling has already been introduced for eggs and chickens. The Labelling Matters group, a partnership between animal welfare groups Compassion in World Farming, Eurogroup for Animals, RSPCA and organic industry body Soil Association, is campaigning to have it applied more broadly to cover all dairy and meat products, in an effort to improve farm animal welfare.

Concerning the import of animal welfare-labelled products, Australia has no such guidelines or standards in place for imported free range products. This has significant implications when imported goods have varying standards yet are labelled the same, especially for consumers who trust that they are choosing a certain quality. Furthermore, there are implications for local producers who have to compete with imported products and are disadvantaged as a result of a lack of national standards.

Federal legislation enabling a comprehensive national food labelling system, that incorporates the production method of animal-derived products, is urgently required.

Policy Solutions

Consumers have the right to sufficient, accurate and meaningful information on the labels of animal-derived food products, to enable them to make informed food purchasing decisions. As such, there is an urgent need for a reform of all federal, state and territory legislation and regulations applying to food labelling, branding and marketing.

Such reform should ensure that labelling terms are limited, adequately defined in legislation, and linked to consistent national standards, including those for animal welfare. Such reform will provide consumers with protection, confidence, and an

³³ Council Regulation 2001/05/EC of 19 December 2000 amending Regulation 1907/90/EEC on certain marketing standards on eggs [1999] OJ L 2/1.

³⁴ Commission Regulation (EC) No 2295/2003 introducing detailed rules for implementing Council Regulation (EEC) No 1907/90 on certain marketing standards for eggs as amended by Commission Regulation (EC) No 1515/2004, Annex 3.

³⁵ Commission of the European Communities, Commission Working Document on a Community Action Plan on the Protection and Welfare of Animals 2006-2010, 3.2

³⁶ European Commission: Labelling related to animal welfare: 18 August 2016 – http://ec.europa.eu/food/animals/welfare/other_aspects/labelling/index_en.htm

³⁷ Department for Environment Food and Rural Affairs (DEFRA), 2010, Report of the Pig Meat Supply Chain Task Force, February, p.4, <http://www.defra.gov.uk/foodfarm/farmanimal/pigs/task-force/documents/100201-final-report.pdf>

³⁸ Meat International, 2010, Pig industry endorses EU labelling rules, January, <http://www.meatinternational.com/news/processing/pig-industry-endorses-eu-labelling-rules-id2251.html>

increased ability to make suitably informed choices.

The *Food Standards Australia New Zealand Act 1991* (FSANZ Act) which establishes the joint body known as *Food Standards Australia New Zealand* has among its goals³⁹:

- a) a high degree of consumer confidence in the quality and safety of food produced, processed, sold or exported;
- c) the provision of adequate information relating to food to enable consumers to make informed choices;

FSANZ objectives state that for food standards to support the provision of adequate information for consumers to make informed choices, FSANZ must consider addressing consumer concerns extending beyond public health⁴⁰.

Furthermore, under Section 18 of the FSANZ Act, the objectives (in descending priority order) of the Authority in developing and reviewing food regulatory measures and variations of food regulatory measures are:

- 1) the protection of public health and safety; and
- 2) the provision of adequate information relating to food to enable consumers to make informed choices; and
- 3) the prevention of misleading or deceptive conduct.

There is a need to reform the standards and regulations applying to the labelling of animal-derived food products that would enable consumers to differentiate products on the basis of health, animal welfare and environmental concerns. Labelling which addresses consumer concerns with no immediate public health and safety impact is debatable. However, with evidence of strong consumer demand, and direct environmental and ethical impacts, to include such information for consumers is undoubtedly within FSANZ's working framework and their obligation to provide consumers' with freedom of choice. Such labelling would be consistent with the goals and objectives of the FSANZ Act as they relate to the protection of public health and safety, the provision of adequate information to enable consumers to make informed choices, and the prevention of misleading or deceptive conduct.

Furthermore, FSANZ has set precedence for labelling reflecting consumer related concerns with no immediate public health and safety impact. Such labelling is a real and developing discourse which is broadening the scope of labelling information.

Australia has successfully implemented mandatory food product labelling of genetically modified organisms⁴¹, and Country of Origin standards⁴². Both of these initiatives have been enabled by the development of Australia New Zealand Food Standards Codes.

Inadequate labelling of animal-derived food products due to the confusing use of ill-defined and unregulated terms is clearly an example of the *absence* of adequate information available to allow consumers to make informed choices. The introduction of mandatory labelling of the production method of animal-derived food products is necessary to provide this information, and would be complimentary to existing mandatory labelling schemes.

HSI recommends that consumer concerns for environmental and ethical labelling are considered. The general purpose of which is to inform consumers of the affability of the products and to develop a level of environmental and ethical standards. Specifically, HSI proposes 'method of production' as a key labelling standard which provides opportunity to address environmental and ethical consumer concerns.

Country-of-origin labelling (CoOL)

For food grown, produced or made in Australia, CoOL labels will generally include a kangaroo logo, a bar chart indicating the proportion of Australian ingredients in the food and an explanatory statement indicating the food was grown, produced, made in Australia, and the proportion of Australian ingredients – all within a clearly defined box. Consumers can expect to see new labels appear in retail outlets later this year. The Information Standard does not require country of origin labelling for food sold in places like restaurants, cafes, take-aways or schools.

One downfall of the new system is that it leaves it up to the manufacturers to voluntarily declare the origin of a product's main ingredient. If a consumer wants to buy Australian produce, they will need to look for *the 'Grown in Australia' logo* or the *'Made in Australia from 100% Australian ingredients'* logo. Although this is an improvement on the current system where so-called qualified claims like *'Made in Australia from imported and local ingredients'* leave shoppers confused, it is still not as explanatory as many would hope for.

³⁹ Section 3 Objects of the Act, *Food Standards Australia New Zealand 1991* viewed online at www.comlaw.com.au

⁴⁰ Australian and New Zealand Food Regulation Ministerial Council, 2010, Issues Consultation Paper: Food Labelling Law and Policy Review, March 5, P.6, paragraph 3.11

⁴¹ Australia New Zealand Food Standards Code, Standard 1.5.2.

⁴² Australia New Zealand Food Standards Code, Standard 1.2.11; Trade Practices Amendment (Country of Origin Representations) Act 1998 (Cth).

Consumers wanting information about any of the 195 countries that are not Australia may be disappointed. For example, claims such as *'Made in Australia from imported ingredients'* will still have you wondering where your food comes from. While the *Department of Industry, Innovation and Science's* fact sheet encourages food manufacturers to call out the origin of specific ingredients on their label, they're not required to. Consequently, many consumers will not be privy to the origin of overseas ingredients. For example, pork sausages made in Australia from fully imported ingredients, including Danish pork, could state *'Made in Australia from imported ingredients'* or *'Made in Australia from 0% Australian ingredients'* (according to subsection 19(4)). The label might include the addition *'with pork from Denmark'* (according to subsection 19(5)). HSI supports further transparency to give the consumer more power when they are making their purchasing decisions.

Free range egg labelling

The debate over 'free range' eggs has continued for many years now and HSI was delighted when the Federal Government announced they would determine a National definition for free range eggs in 2015. However, despite the Australian public taking every opportunity to let them know what they expect when they pay a premium for free range eggs, in March 2016 the government decided to allow eggs to be labelled 'free range' from farms stocking up to 10,000 hens per hectare.

The egg industry has been trying to increase stocking densities for free range layer hens to 20,000 birds per hectare, whilst genuine free range farmers have modelled their production systems on the *Model Code of Practice*, stocking their hens at just 1,500 per hectare or less.

In late 2015 the submissions to Treasury were overwhelmingly in favour of supporting the Model Code, setting stocking limits of 1500 birds per hectare. In fact there were only 14 submissions that supported 10,000 birds per hectare and they were all from major egg producers currently running those numbers or supermarkets currently stocking those densities. The submissions from consumers were totally ignored. Over 95% of Australians called for a maximum of 1,500 birds per hectare, consistent with the Model Code of practice set by CSIRO in 2002. In fact there is no free range standard anywhere in the world that allows a bird density greater than 2,500 per hectare.

HSI has on register 516,898 Australians who have let the government know they were opposed to such intensive farming being labelled as 'free range'. These are ordinary Australians who felt so strongly that they took time out of their busy lives to either to write to government, send a post card, take part in a Choice survey or send submissions to the appropriate inquiries.

The purpose for the consultation to develop a *National Standard for Free Range Eggs* was to increase consumer certainty about egg labelling. In HSI's submission to Treasury last November, we raised the following points and recommendations for consideration:

- Robust free range egg industry currently exists in Australia based on the Model Code of 1,500 hens per hectare.
- Growth and demand for free range eggs prompted many large producers to hijack the market at the expense of smaller true free range farmers.
- True free range producers must be represented throughout the development of National Standard .
- Overwhelming evidence from consumers calling for the maximum outdoor stocking density to be set at 1,500 hens per hectare.
- Significant growth of Australian 'organic' sector resulted from strict regulation and truth in labelling to reassure consumers.
- Historical events demonstrate that Australian Egg Corporation Limited (AECL) cannot be trusted to look after the interests of all egg producers, instead favouring the large industrialists, some of whom make up their Board.
- Consumer surveys highlight an urgent need for truth in labelling.
- The survey released by NSW Farmers Association proved to be a masterpiece of obfuscation and of little relevance or value to its stated purpose.
- HSI supports the disclosure of stocking density on packaging alongside the words 'free range'
- HSI strongly recommends that the National Standard should set a mandatory outdoor stocking density at no more than 1,500 hens per hectare for eggs labelled 'free range'.
- Intensive free range producers who now label their eggs 'free range' should instead use the new descriptor 'access to range'.
- The price premium is irrelevant, so long as consumers are happy knowing they are buying true free range eggs, labelled truthfully.
- It is critical for all free range farms to be audited by an independent 3rd party auditor.
- HSI recommends that going forward, AECL should only represent intensive producers and a separate Corporation should be established to look after Australia's true free range farmers.
- True free range egg producers stocking a maximum of 1,500 hens per hectare can easily satisfy consumer demand at a reasonable cost.

- The new National Standard must include a maximum number of birds allowed inside the shed to prevent the indoor density from being too high.
- The outdoor stocking density and beak treatment must be displayed on the product packaging.
- Despite industry claims, there has never been an outbreak of avian flu at a real free range farm in Australia.
- Throughout the world, a stocking density of more than 2,500 hens per hectare for free range layer hens does not exist.
- A farm stocking in excess of 1,500 hens per hectare would not be environmentally sustainable.

Unfortunately the current government has chosen to ignore more than half a million consumers and ultimately enshrine this in legislation. Rather than protect the free range farmers who have pioneered this desirable product, or the consumers who have supported the true free range industry, government has chosen to back big agribusiness. HSI believes that Treasury have failed in its objective to increase consumer confidence and certainty regarding egg labelling, resulting in many consumers choosing not to purchase eggs anymore at all.

The *Draft Report* states on page 361 that, “*There should be consistence between animal welfare standards and egg labelling standards. As such, there may be a need to revise the free-range egg labelling standard once the Model Code of Practice for poultry has been converted into national standards and guidelines.*” HSI will continue to call for the decision to be overturned to protect more than half a million vocal consumers.

Without adequate labelling laws and regulations, consumers are not in a position to make informed choices and purchasing decisions. The vast array of undefined and poorly regulated labelling terms is necessitating an urgent reform of all federal, state and territory legislation and regulations applying to food labelling, branding and marketing. This reform must ensure that labelling terms are limited, adequately defined in legislation, and linked to consistent national standards. Only with such a reform will consumers be provided with transparent information needed to differentiate products on the basis of animal welfare, health and environmental concerns, and therefore be well positioned to exercise their rights to make informed decisions.

We hope that our comments outlined above will be considered. Thank you again for the opportunity to provide comments on the *Productivity Commission’s Draft Report on the Regulation of Agriculture*.

Yours sincerely,

Verna Simpson
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HUMANE SOCIETY INTERNATIONAL