INDEPENDENT REVIEW OF AUSTRALIA'S LIVESTOCK EXPORT TRADE

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Independent Livestock Export Review

31 August 2011

Senator the Hon. Joe Ludwig
Minister for Agriculture, Fisheries and Forestry
Parliament House
CANBERRA ACT 2600

Dear Minister

On 13 June 2011, you commissioned me to undertake an independent review into the Australian livestock export trade. You asked for a report by 31 August, with an interim report by 29 July.

Although this was not foreshadowed when the Review was commissioned, in practice the Review operated concurrently with a number of other processes examining similar issues. In particular, the government commissioned Industry Government Working Groups and the Australian Chief Veterinary Officer to consider issues related to the livestock export industry. I understand that reports resulting from these processes are now with you.

In conducting the Review, I have had invaluable expert advice from Professor David Mellor and Dr. Robin Vandegraaff, as well as much-valued advice and assistance from officers of your department, especially those who comprised the Secretariat for the Review.

I wrote to you on 29 July, setting out interim progress. I now **enclose** for your attention the Report of the Independent Review.

Yours sincerely

Bill Farmer AO

Table of contents

Executive summary ..... **x**

Introduction x

The Review's observations and findings xi

Recommendations xxiii

1 The Review **1**

1.1 Background to the Review 1

1.2 The Review 2

1.3 Conduct of the Review 2

1.3.1 In-country visits 2

1.3.2 Domestic visits 3

1.3.3 Desk top analysis 3

1.3.4 Stakeholder meetings 3

1.3.5 Public submissions 3

1.4 Scope of the Review 5

1.5 Interim Report of the Independent Livestock Export Review 6

1.6 Past reviews 6

1.6.1 Independent Reference Group 6

1.6.2 Keniry Review 7

2 The Australian livestock export trade **9**

2.1 History and development of the industry 9

2.2 Demand drivers for Australia's live export trade 10

2.3 Contribution to the Australian economy 12

2.3.1 Value of the trade 12

2.3.2 Contribution to regional economies 12
2.4 Australia's meat export trade 13
2.5 Australia's place within the global livestock export trade 14
3 Current regulatory arrangements 18
3.1 Introduction 18
3.2 Current arrangements 18
3.2.1 Legislative requirements 18
3.2.2 Domestic welfare standards 22
3.2.3 Industry-based quality assurance programs 22
3.2.4 International requirements 22
3.2.5 Monitoring and reporting 22
3.2.6 Incident response arrangements 23
3.3 Current debate and issues raised in submissions to the Review 24
3.3.1 Adequacy of the current regulatory arrangements 24
3.3.2 Roles and responsibilities 25
3.3.3 Proposed changes 26
3.4 The Review's considerations and findings 27
3.4.1 Overview 27
3.4.2 Clarity of roles and responsibilities 27
3.4.3 National animal welfare standards 28
3.4.4 Compliance with ASEL 29
3.4.5 Industry through-chain quality controls 30
3.4.6 Livestock welfare issues 32
3.4.7 AQIS operations 34
3.4.8 AQIS regional operations 35

3.4.9 AQIS enforcement activities 35
3.4.10 Operations of AQIS-accredited veterinarians 36
4 Australian Standards for the Export of Livestock 39
4.1 Introduction 39
4.2 Current arrangements 40
4.2.1 ASEL within the broader regulatory framework 40
4.2.2 Continuous development of ASEL 40
4.2.3 Monitoring and enforcement of ASEL 41
4.3 Current debate and issues raised in submissions to the Review 42
4.3.1 Overview of comments received 42
4.4 The Review's considerations and findings 46
4.4.1 Overview 46
4.4.2 The scope of ASEL 47
4.4.3 Clarity and accountability 47
4.4.4 Flexibility 48
4.4.5 Sanctions 48
4.4.6 Review 49
4.4.7 Industry quality assurance system and ASEL 50
5 Suitability of livestock for export as feeder or slaughter animals 51
5.1 Introduction 51
5.2 Current arrangements 51
5.2.1 ASEL 52
5.2.2 Selection of suitable stock 52
5.2.3 Preparation at registered premises 53
5.3 Current debate and issues raised in submissions to the Review 53

5.3.1 Overview 53
5.3.2 Role of ASEL and market drivers in selection of stock....54
5.3.3 Breeds 54
5.3.4 High vulnerability livestock....55
5.3.5 Physiological condition....55
5.3.6 Body weight 56
5.3.7 Horns 56
5.4 The Review's considerations and findings....56
5.4.1 Indicators of suitability 56
5.4.2 Procurement pressures....57
5.4.3 Contrasts between northern and southern Australia....57
5.4.4 Pregnancy....61
5.4.5 Other suitability factors....62
5.4.6 Suitability of other species 62
5.4.7 Livestock traceability 62
6 International animal welfare standards....64
6.1 Introduction 64
6.2 Current arrangements 64
6.2.1 OIE standards....65
6.2.2 Religious or ritual slaughter (halal or kosher)....66
6.2.3 Promoting the OIE animal welfare standards....67
6.3 Current debate and issues raised in submissions to the Review....67
6.3.1 Adequacy of the OIE standards....67
6.3.2 Pre-slaughter stunning and casting 68
6.3.3 OIE animal welfare standards are not mandatory 69

6.4 The Review's considerations and findings 69
6.4.1 Significant variations between markets 69
6.4.2 OIE animal welfare standards 70
6.4.3 Animal welfare practices 72
7 Post-arrival monitoring and risk management 76
7.1 Introduction 76
7.2 Current arrangements 76
7.2.1 Memoranda of Understanding with trading partners 77
7.2.2 A new regulatory approach: Indonesia 78
7.2.3 The approach by other countries 79
7.2.4 Identification and traceability 80
7.3 Current debate and issues raised in submissions to the Review 81
7.3.1 Overview 81
7.3.2 Inherently high-risk trade 82
7.3.3 Managing risk off-shore 82
7.4 The Review's considerations and findings 83
7.4.1 A global approach 83
7.4.2 A phased-in approach 91
7.4.3 Government knowledge of and engagement with overseas markets 93
7.4.4 Assessment of results and follow-up 95
7.4.5 Capacity building 96
8 Other matters 99
8.1 Export of breeder livestock and companion and zoo animals 99
8.1.1 Current arrangements for breeder livestock 99
8.1.2 The applicability of additional controls to breeder livestock 100

Appendix A References **102**

Appendix B Terms of reference for the Review **104**

Appendix C Interim report **105**

Appendix D Independent Reference Group Report on the Livestock Export Industry, 2000 ..... **113**

Appendix E Independent Reference Group Report on the Livestock Export Industry, 2002 ..... **116**

Appendix F Keniry Livestock Export Review, 2003 ..... **118**

Appendix G Submissions received **122**

Appendix H Stakeholder consultations **136**

Appendix I Abbreviations and acronyms **139**

Executive summary

Introduction

Australia's livestock export industry is significant in world trade and the Australian economy.

Australia exported 3.8 million feeder or slaughter cattle, sheep and goats in 2010, valued at $863 million and accounting for 2.7 per cent of Australia's agricultural exports. Australia exported cattle to 19 countries, sheep to 16 countries and goats to 9 countries. The trade complements Australia's carcase and meat exports and contributes significantly to Australia's regional economy, underpinning the employment of around 10,000 people. Australia also exported breeding livestock worth $149 million in 2010.

The industry is concentrated within specific regions. For example, over the period 2006–09, more than 90 per cent of total live cattle exports were sourced from the Northern Territory, Queensland, and Western Australia. Around 80 per cent of live sheep exports were loaded from Western Australian ports.

The industry has invested significant capital into developing the supply chain for livestock exports. This has come in the form of investment at select points along the chain, such as transport, shipping or port infrastructure, through to more extensive investment in vertically integrated chains.

Overall, Australia is the world's largest exporter of livestock. It is the world's largest live sheep exporter, and third largest cattle exporter.

The trade from Australia is very important to some overseas countries. Australia is the major, and in some cases the sole, supplier of livestock to certain overseas markets. A number of importing countries are heavily dependent on these imports for food security and, in some cases, social harmony.

The industry is high risk and has been subject to a number of shocks, and reviews. These have resulted in extensive development of the regulatory environment over the past 10 years. There has been considerable improvement in conditions for handling livestock within Australia; and work by Meat and Livestock Australia (MLA), part funded by industry and the Australian Government, to improve facilities and training overseas.

On 31 May 2011, in the wake of widespread public concern about television footage of mistreatment of Australian animals in Indonesian abattoirs, the Minister for Agriculture, Fisheries and Forestry announced the suspension of trade to a number of facilities identified in the footage. He also announced an independent review (the Review) into the livestock export trade.

On 8 June 2011, the minister announced that the Australian Government had suspended the feeder and slaughter livestock trade with Indonesia until new safeguards for animal welfare were established. Following agreement on new arrangements

specific to the Indonesian marketplace, the Australian Government announced on 6 July 2011 that it would resume issuing export permits for trade to Indonesia. Shipments resumed early in August.

The Review was commissioned in the context of the Australian Government's wish to see a sustainable trade, with assurance of animal welfare necessary to the acceptance of that trade by the Australian community. The Review was designed to assist the Australian Government establish new safeguards which provide verifiable and transparent supply chain assurance up to and including the point of slaughter for every livestock consignment that leaves Australia. The Review did not examine in detail considerations relating to a possible ban on live exports, since the government has made clear that it is looking for advice on the conduct of a continuing trade in conditions which give assurances of animal welfare.

Although this had not been foreshadowed when the Review was announced, in practice the Review operated concurrently with a number of other processes examining similar issues. The Senate Standing Committee on Rural Affairs and Transport initiated an inquiry into Animal Welfare Standards in Australia's Live Export Markets. For its part, the Australian Government also commissioned three Industry Government Working Groups to consider issues related to the live export industry. In addition, the Australian Chief Veterinary Officer was asked to coordinate an independent scientific assessment of the ongoing appropriateness of the Mark I and Mark IV restraining boxes.

By comparison with the circumstances which apply to most reviews commissioned by government, an unusual dynamic was at work during the Review process. For understandable reasons, the Australian Government acted in July to enunciate principles and approaches in relation to the resumption of exports to Indonesia. These bear in substantial ways on matters which the Review was charged with examining. In the circumstances, part of the approach the Review adopted was to assess whether principles and approaches which were developed in relation to one market have wider value in all markets – with or without variations.

The Review's observations and findings

The Review consulted widely within Australia and overseas; examined the more than 500 submissions provided to it by a range of individuals, organisations and governments in Australia and overseas; and had regard to a range of research and other material.

The Review observed in Australia widely divergent views on the future of the livestock export trade, significant community concerns about animal welfare and a virtually universal view that practices shown on the television program were unacceptable. It was also evident that significant employment, human welfare and animal welfare concerns emerged as a result of the suspension of the trade. The Australian Government announced substantial assistance to producers and others in Australia affected by the suspension.

The Review heard many comments that the live export trade should be banned. It also observed a widespread acceptance in the cattle industry that the environment has changed dramatically and that the industry will need to adapt quickly. An industry which had set itself the task of gradual improvement has made clear, in its submissions to the Review, its acceptance that the status quo is not an option and that it is looking to take the steps relating to animal welfare necessary to ensure sustainability of the trade. The Review heard similar views from other sections of the livestock export industry.

Overseas, the Review made a number of observations on reaction to the suspension of the trade with Indonesia. Importantly, there was a clear view in discussions in Indonesia that the practices seen on the television program were unacceptable. More broadly, the suspension created concern in a number of countries, especially in counties highly dependent on Australian livestock imports, about the reliability of Australia as a supplier. Many interlocutors, in government and industry, expressed a keen wish to know what Australian Government requirements would emerge for the future conduct of the trade, and what would be necessary to meet these requirements.

Finding

The suspension of trade with Indonesia had the effect of impressing upon industry and overseas countries that animal welfare issues would be central to Australian Government consideration of livestock export trade issues. The suspension affected Australia's reputation as a reliable supplier of livestock. It also caused widespread concern among communities in Australia connected with the trade, led to the Australian Government's agreement to sizeable assistance payments, and caused some welfare concerns in relation to livestock unable to be shipped because of the suspension.

Finding

There are widely divergent views within the Australian community on the livestock export trade. In principle, there is widespread support for the Australian Government's policy of securing assurance of animal welfare. As reflected in submissions to the Review, many Australians believe that the trade is important to the economic and social future of a number of communities in Australia. Others believe that animal welfare cannot be assured and that the overseas trade should end. The Review concludes that the trade is sustainable only if it can demonstrate animal welfare outcomes acceptable to the Australian community.

Current regulatory arrangements

The regulatory framework for livestock exports is complex and comprises interacting Commonwealth, state and territory, and local government legislation and regulation. There are also several industry codes of practice and standards. There is a lack of clearly appreciated roles and responsibilities for taking regulatory and enforcement action on animal welfare issues. This complexity creates challenges for regulators and industry.

Changes made following the Keniry Review, including Australian Government licensing of exporters and the development of the Australian Standards for the Export of Livestock (ASEL), have led to significant improvements. The Review found that all the domestic elements of the export supply chain are operating substantially better than before the Keniry Review. Operational efficiency and risk management procedures are generally sound and appreciation of welfare issues has increased.

Nonetheless, the Review identified a number of areas of concern. An over-arching need is for nationally consistent and enforceable standards for livestock welfare and a start has been made with the development of a land transport standard to be incorporated into legislation. The Review also heard compelling arguments that it would be desirable for industry to develop a through-chain quality assurance (QA) system to complement government regulatory and compliance programs. At an operational level, the Review observed some failure to comply with ASEL requirements. In response to a perception that Australian Quarantine and Inspection Service (AQIS)-accredited veterinarians (AAVs) may have a conflict of interest because of their employment conditions, the Review makes a number of recommendations.

The Review was impressed by the professionalism and commitment of AQIS officers, in the field and at headquarters. It draws attention to a number of issues which deserve consideration by AQIS management.

Finding

The domestic elements of the export supply chain are working substantially better now than before the Keniry Review. A number of concerns persist, including the lack of nationally consistent and enforceable standards for animal welfare and, at an operational level, some failure to comply with ASEL requirements.

Finding

Greater clarity about, and shared understandings on, responsibilities and regulatory powers in the respective jurisdictions would assist the Australian Government and the states and territories to identify and address gaps and areas of discontinuity. This is necessary to ensure more effective government dealings with animal welfare matters throughout the livestock export supply chain.

Finding

Despite the general improvement in animal handling and transport and better understanding of welfare issues, there are some residual problems including on-farm preparation of both sheep and cattle and loading of higher-risk livestock for transport to feedlots. There is evidence of numbers of out-of-specifications sheep being delivered to Fremantle wharf for loading onto ships. This is the result of special inspection arrangements applying at Fremantle, in which the final individual inspection by the pre-export AAV is conducted at the wharf. This departs from ASEL requirements and adds significant pressure to the loading process.

The Australian Standards for the Export of Livestock

The Australian Government has agreed to lead a process to review ASEL from time to time to ensure they reflect the Model Codes of Practice and Australian Standards and Guidelines for the Welfare of Animals, latest knowledge in risk management, technical developments, scientific research findings and improved management systems that relate to the health and welfare of livestock in the export industry.

Public submissions on ASEL were polarised into two generalised positions: that the Standards were 'adequate', 'more than adequate', or 'world best practice' – the position generally held by industry stakeholders; or that the Standards were 'inadequate' or worse, were 'unenforceable', were 'unenforced', or were not being met in some way – the position generally held by animal welfare advocates.

It was the view of many respondents that since the introduction of ASEL the industry has been better regulated, better managed and has performed better in terms of animal welfare outcomes. Many also acknowledged that the Standards are imperfect and that management, operation and regulation of the live export industry under ASEL is an evolutionary process, subject to review and continuous improvement.

The Review found that, in general, export industry participants and regulators are satisfied with ASEL as a basis for orderly management and regulation of the industry.

However issues of scope, clarity and accountability, flexibility, sanctions and review procedures are worthy of closer examination.

While it was not within the scope or time frame of the Review to conduct a comprehensive review of ASEL, such a review remains a priority. Standards need to be clear, essential (causally related with mortality or otherwise scientifically based), consistent and verifiable. Ongoing feedback and review processes need to be clarified and strengthened and roles and responsibilities of bodies engaged in monitoring and enforcement of ASEL and related welfare standards need to be clarified and formalised. In addition, accountability for ship-board welfare needs to be better defined.

Finding

- Since the introduction of ASEL, there have been improvements in many domestic elements of the supply chain.
- ASEL need to continue to evolve, in relation both to persistent issues like mortality in sheep exported from southern ports in winter months and to the results of scientific research.
- There needs to be closer examination of a range of issues relating to ASEL, including issues of scope, clarity and accountability, flexibility, sanctions and review procedures.

Suitability of livestock as export for feeder or slaughter animals

It is apparent from sea-voyage mortality incidents that some livestock are not suitable or suitably prepared. Although not definitive, associations with mortality incidents include the property of origin, port and season of embarkation, voyage length, destination, breed, age, body condition and temperament.

The Review found that the northern Australian cattle industry has made significant progress in improving the suitability of cattle for export.

Southern production systems, by contrast, operate with more species and climatically the southern production zone contrasts starkly with prevailing conditions in most destinations in the Northern Hemisphere. For climate contrast reasons in particular, preconditioning of southern region livestock is vital for successful transport to the Northern Hemisphere.

The Review found that selection and certification of suitable livestock remains an important and sometimes poorly conducted operation in the export trade, especially from southern ports.

In March 2011, the Department of Agriculture, Fisheries and Forestry (DAFF) compiled a summary of industry-funded research over the last decade into live animal exports. The results of much of this research have yet to be incorporated into ASEL.

The Review noted the importance of traceability of animals for a number of purposes, including to facilitate refinement of suitability criteria.

The Review noted a number of issues relating to suitability of livestock for export which it suggests might be taken account of by industry in any through-chain industry quality system which might be developed.

Finding

- There has been significant progress in improving the suitability of cattle for export.
- Some livestock are not suitable, or suitably prepared for export. Selection and certification of suitable livestock remains an important and sometimes poorly conducted operation, especially from southern ports.

International animal welfare standards

The Review noted that all countries importing Australian livestock are members of the World Organisation for Animal Health (OIE) and have agreed to work towards implementation of OIE animal welfare standards. These provide considerable detail on the humane treatment of animals during transport, holding and slaughter. They allow for slaughter either with, or without, stunning. A key principle adopted by the OIE is that equivalent outcomes based on performance criteria, rather than identical systems based on design criteria, should be the basis for comparison of animal welfare standards and recommendations.

Australian standards allow for non-stun slaughter in certain circumstances.

The Australian Government and industry have actively promoted implementation of the OIE standards internationally, especially in our region. There is scope for further engagement by Australia on animal welfare issues within the OIE. A particular opportunity, arising from recent developments in the Australian approach to resumed exports to Indonesia, would be a focus on international development of checklists that facilitate the implementation of OIE animal welfare standards.

In all countries visited by the Review, governments supported the application of OIE standards. There was sensitivity in some countries about any suggestion that Australia might be seeking to mandate its own standards overseas, but a ready understanding that Australia would look to ensure, via commercial arrangements, welfare of Australian animals in accordance with the OIE standards.

Finding

- The goal of assuring animal welfare in accordance with the OIE standards (as a minimum) has widespread acceptance overseas.
- There is scope for Australia to do further work internationally to enhance the implementation of OIE standards.
- There is a need for awareness, and appropriate handling, of sensitivity in some overseas countries about the perception that Australia may be seeking to regulate extraterritorially.

International adherence to the OIE standards is mixed. The Review observed significant variations in conditions in different countries, and in different supply chains within the same country.

In some cases, practices observed by the Review fully met the OIE standards. This was the case with both stun and non-stun slaughter.

The Review also observed practices in a number of countries that were incompatible with the OIE standards, and in some cases, fell well short. This was the case with both stun and non-stun slaughter.

The Review found significant interest overseas in the potential new arrangements for Australian exports and some interlocutors spoke of a wish to work for improvements relating to the welfare of Australian *and other* animals.

Finding

There is considerable variation in conditions in overseas markets, and in animal welfare outcomes. There is a wide variation between different supply chains, some fully meeting OIE standards, some falling short or well short.

- Under arrangements currently applying in supply chains other than those recently approved in Indonesia, the Australian Government cannot have a high level of confidence that Australian livestock in all supply chains and in all markets are being handled and slaughtered consistent with OIE animal welfare standards.
- New arrangements need to be put in place to provide the expected levels of confidence.
- There are signs that the new arrangements being discussed for the Australian export trade have the potential to lead to improved practices more broadly in importing countries.

Post-arrival monitoring and risk management

The Review's visits to importing countries focused on animal welfare outcomes, reflecting a recognition that good welfare may result from many different ways of managing animals. A wide variety of circumstances was encountered, in areas such as degree of government involvement, existence and enforcement of animal welfare legislation, impact of cultural norms and religious beliefs, animal handling practices, quality of facilities and security of supply chains.

The Review took the view that, unless it concluded that the approach newly implemented in Indonesia was flawed, there were substantial reasons in favour of pursuing that approach more broadly. Those reasons, in brief, were that in recent months the Australian community, producers, exporters and other stakeholders (as well as overseas governments, consumers and industry) have seen: in June, a suspension of cattle exports to Indonesia; in July, announcements of arrangements for resumption of those exports; in August, the resumption of shipments, and statements that Industry Government Working Groups would be making recommendations to apply the new arrangements to other species and markets. In all these circumstances there appeared to be a strong case in the public interest that further uncertainty and disruption were undesirable. That, of course, depended on the Review's findings in relation to the Indonesian arrangements.

In practice, on the basis of its discussions and site visits in importing countries, including in Indonesia with interlocutors with direct experience of the new arrangements in practice, the Review concludes that the principles and approaches that have been developed for the trade with Indonesia can and should be adopted for all markets that import Australian livestock for slaughter. The Review did not encounter overseas significant opposition in principle to this proposition. The main elements of the approach – whole of supply chain control, traceability of animals, meeting OIE standards as a minimum and independent third party auditing – represent a coherent framework for ensuring animal welfare. They have also, in recent weeks, been shown to be workable, at least to the point of satisfying the Australian Government that several export permits should be issued for exports to Indonesia.

The approach developed for the Indonesian market, based on arrangements developed between industry and government, does not meet all the desiderata of animal welfare groups, whose position remains, inter alia, that live exports should be banned and that, to the extent they continue, should include pre-slaughter stunning. Nonetheless, consultations with a number of such groups revealed a view that the proposed approach would represent a considerable improvement from an animal welfare perspective; though a number of concerns remained.

The proposed new approach would be brought to bear on a range of differing market circumstances, levels of government regulation and enforcement, and practices relating to animal welfare. It should apply to all supply chains. On the basis of experience with preliminary rounds of audits, the regulator may conclude that follow-up audits in some supply chains may be required less frequently, or that other variations may be warranted. Similarly, government may come to differing views in relation to different markets on the scope of government-to-government interaction required; the need

for engagement with industry on issues like improving welfare and training; and other issues.

The Review heard arguments that the arrangements developed in the case of exports to Indonesia could not be reproduced exactly in all circumstances. In particular, industry maintained that individual identification of sheep is not mandated domestically in Australia and could not be implemented in the export market, at least for the time being. This issue has been discussed in the Industry Government Working Group on Live Exports of Sheep and Goats.

The Review is open to the suggestion that the proposed approach can be applied with variations in different circumstances, provided that the elements of adherence to the OIE standards, accountability for animals, exporter supply chain assurance and independent auditing are maintained.

Accountability for sheep and goats could in principle be achieved without individual identification, provided that the exporter is able to report that a given number of animals left the farm gate and that the total number of animals which died in transit, in feedlots and the slaughter point equalled that original number. Nonetheless, individual animal identification is likely to provide the greatest level of assurance that animals are kept within a defined supply chain. This would be achieved at a greater cost to industry and for it to be practicable the domestic system would need to be developed first.

Among other things, the Review noted the existence of a significant flock of merinos born and raised in Middle East countries. Unlike other breeds that are commonly found in these countries the merino flock is effectively indistinguishable from imported Australian sheep. The same phenomenon was observed in the case of Brahman cattle born in Indonesia. It may well occur in other markets. This underlines the importance of sound animal identification and traceability systems for exported Australian feeder/slaughter animals.

The Review also observed that in a number of markets there has been a pattern of animals being removed from supply chains for sales to individuals, farmers or small abattoirs, often leading to inability to have any assurance about subsequent handling and slaughter practices. MLA has done some work to develop understanding in export markets that Australian animals should not be sold out of supply chains. In cases where the prevention of leakage from a supply chain cannot be demonstrated under the new arrangements, there can be no assurance of animal welfare and the regulator should conclude that the conditions for grant of an export permit cannot be satisfied.

Finding

There is a need for predictability and certainty of policy – for Australian producers and industry and for overseas industry, consumers and governments. This is especially important for some importing countries which are heavily reliant on imports of Australian livestock for food security and social harmony.

Finding

Overall, there is considerable support for an approach to all exports of feeder and slaughter livestock, which has the following elements: all elements of the supply chain must meet OIE standards as a minimum; animals entering a supply chain must be accounted for; there should be independent third party assessment of each supply chain; and the exporter must demonstrate whole of supply chain control enabling accounting for animals and ensuring treatment according to OIE standards. There are species-by-species and market-by-market circumstances which will affect the means of achieving that assurance for animals from the farm gate to the point of slaughter.

Finding

In a number of export markets, there has been a traditional issue with livestock being removed from supply chains via sales to individuals or businesses and slaughtered in unknown circumstances or via sales to farms for breeding purposes. Steps to stop this leakage, which is inconsistent with assurance of animal welfare, must be part of proposed new arrangements. In the immediate future, industry should continue its efforts to prevent leakage.

Finding

In numbers of overseas countries, there are locally-born livestock (e.g. merinos) which could be mistaken for Australian-born and exported livestock. This reinforces the importance of traceability of and accounting for Australian animals.

A number of issues need to be considered in implementing the new arrangements. Of primary importance is the ability of government to achieve the balance between implementing the systems to achieve the desired animal welfare outcomes as quickly as possible and providing industry with sufficient time to make the necessary changes. Although the approach recommended puts a heavy emphasis on exporters to ensure the necessary assurances are in place, importers, feedlots and slaughterhouses in importing countries are clearly affected. Consultation with importing governments also needs to occur.

The principles that need to be considered in formulating the most efficient and effective approach to implementing the regulatory changes include minimising disruption to the trade. Disruption has significant economic and social impacts on the industry and

communities within Australia. Many of these were felt during the suspension of cattle exports to Indonesia. Food security is also of particular concern for importing countries.

Taking these issues into account the Review considers the most effective approach would be a phased introduction of the new arrangements by the end of 2012, with very early attention to the largest markets and those with special circumstances.

In the interim, industry should take steps to prepare for the introduction of new arrangements in all markets. This should include continued efforts to prevent leakage from supply chains; and moves to limit, to the extent known and possible in the interim period, sales of animals in circumstances where handling and slaughter practices fall well short of meeting OIE standards.

Implementation of the new approach in a range of markets, and in respect of all species, will require an examination by DAFF/AQIS of its resourcing, information and other requirements. These requirements may well develop and change as the new arrangements are progressively rolled out. As DAFF/AQIS examine these requirements in relation to the overseas elements of the supply chain it would be sensible also to address issues in relation to service delivery and regulation in the domestic elements of the supply chain.

Among the potential requirements will be a better understanding of overseas markets. The information available to the Australian Government about laws, regulations, practices and risks overseas is less than comprehensive. This reflects the fact that Australian regulators have not perceived a need for comprehensive information, given that their responsibilities end before the animal disembarks.

In the new circumstances, it is a moot point whether AQIS, in its role as a regulator, needs a better understanding of overseas conditions. Experience with the new arrangements should be used on a continuing basis to asses that issue. The department, in its role as a provider of advice to the Australian Government, certainly does need to have an improved understanding, on a continuing basis, of circumstances and important issues in overseas markets. The department needs to form its own assessments so it is able to advise government.

In addition to taking steps to inform itself about overseas markets, the department has in recent months held consultations with a range of foreign governments on issues relating to the livestock export trade. Given the sensitivities and concerns the Review observed overseas, on issues like sovereignty and food security, it seems highly desirable that the department, in close consultation with the Department of Foreign Affairs and Trade, continue these consultations. In the immediate future these contacts would, at a minimum, require an explanation of the Australian Government's new approach and a discussion of how that would apply to each market. The department would also need to continue its contacts to the extent it judges necessary to position itself to offer advice to government over time.

Finding

The Australian Government and industry do not have a full understanding of conditions, regulations and practices in livestock importing countries. An improved understanding, and in some cases continuing engagement with overseas governments and markets, will be necessary, initially to establish understandings on the implementation of the proposed new arrangements, and on a continuing basis to position DAFF to offer policy advice.

The experience of recent years suggests that sustainability of the live export trade will require ongoing attention and activity by industry and government. This is not a 'set and forget' industry.

It will be important, especially in the early stages of introducing the new arrangements, to assess the extent to which the arrangements have worked in practice to deliver animal welfare outcomes.

Such assessments, which should be ongoing, could include consideration of suggestions for variations to checklists (the Review understands this has already been discussed in the Industry Government Working Groups), or to other species-specific or market-specific requirements. They should also form the basis for reporting to the Australian Parliament and people.

Finding

It will be necessary for the Australian Government to assess the extent to which the proposed arrangements have worked to deliver animal welfare outcomes. This assessment should be made available to the Australian Parliament and people.

Industry and governments in some countries raised with the Review the need for assistance by Australian Government and industry with transition to new arrangements. Some noted that Australian industry had been active in seeking to improve standards in the Middle East and South-East Asia for some years.

The Australian Government has also provided funds for capacity building since 2004–05. This was done first through the Live Animal Trade Program and then through the Live Trade Animal Welfare Partnership (LTAWP), a program co-funded by the Australian Government and industry. LTAWP is due to expire on 30 June 2012.

Finding

The activities of MLA, and the operation of the LTAWP, have led to improvements in a number of markets in facilities, training and management approaches. There is an expectation in some countries of continued or expanded capacity building assistance from Australia. This will require consideration by the Australian Government.

The Review's Terms of Reference focused on feeder or slaughter livestock. Notwithstanding this, the end treatment of Australian animals exported for breeding and other non-slaughter purposes was raised in consultations by some international and domestic stakeholders.

There are different points of view as to whether the welfare of such animals remains an Australian responsibility. A threshold question is when animals intended to be integrated into an importing country's livestock population lose their 'Australian' identity.

There are practical difficulties with a potential extension to breeders of traceability and other arrangements to be utilised for feeder/slaughter livestock. It would be difficult, costly and intrusive for the Australian Government/industry to maintain a 'line of sight' arrangement for breeders, particularly over the many years that breeders may live prior to being sold for slaughter. The Review does not believe that it is practicable or reasonable to impose that requirement on regulators or industry.

A policy position on the question whether these is need for any additional conditions for the trade in breeder livestock species should be enunciated by the Australian Government to give clarity to the Australian public and industry.

Recommendations

Recommendation 1

The Review recommends that the Australian Government expedite work with the states and territories to more clearly articulate respective roles and responsibilities for regulating the livestock export supply chain.

Recommendation 2

The Review recommends that the Australian Government urge the states and territories to develop and implement, as a priority, enforceable standards of welfare to replace Codes of Practice, incorporate the standards into legislation and prepare and implement compliance programs to monitor and enforce the regulations in the domestic phase of the livestock export trade.

Cattle, sheep and goat welfare standards should be produced as a priority for incorporation into state and territory legislation.

Recommendation 3

The Review recommends that in line with ASEL, industry develop and implement a through-chain QA system to complement government regulatory compliance programs.

Recommendation 4

The Review recommends that the current inspection regime prior to export from Fremantle be reviewed, to ensure that thorough individual animal inspection by the AAV is conducted.

Recommendation 5

The Review recommends that the existing system of exporters contracting AAVs and stockpersons be supplemented by the following provisions:

- enhanced auditing processes including targeted on-site (including shipboard) audit
- daily and end-of-voyage reports to be forwarded to AQIS and the exporter simultaneously
- enhanced training and induction processes for AAVs
- consideration by industry of enhanced training and mentoring programs for stockpersons.

Recommendation 6

The Review recommends that a comprehensive review of ASEL be undertaken.

- The review should inter alia examine the policy on export of sheep from southern ports to the Middle East in winter months, with a view to:
  - mitigate feedlot and shipboard losses in adverse weather conditions
  - mitigate losses from heat stress and inanition during the voyage.
- The review should also consider additional specific criteria, identified in recent industry-funded research, for selection of suitable livestock for export.

Recommendation 7

The Review recommends that the role and function of the Livestock Export Standards Advisory Group should be reviewed.

Recommendation 8

The Review recommends that the Australian Government should work with states and territories and industry to implement individual identification of all sheep and goats as soon as practicable.

As a priority, current exemptions applying to export cattle from the Northern Territory and Western Australia should be removed.

Recommendation 9

The Review recommends that the Australian Government, on the basis of its recent decisions, recommendations in this Review and recommendations by Industry Government Working Groups, set out a clear statement of its intended policy and operational approaches to the livestock export industry, emphasising the elements of sustainability of trade and assurance of animal welfare for exported Australian livestock.

Recommendation 10

The Review recommends that the approach developed for the export of feeder and slaughter livestock to Indonesia should be developed for all supply chains (that is, all markets and all species of feeder and slaughter livestock), with variations which might be necessary to take account of different species or market circumstances. The minimum requirements should be that all elements of the supply chain must meet, at a minimum, the OIE standards; that animals entering a supply chain must be accounted for; that there be independent third party assessment of each supply chain; and that the exporter demonstrate whole of supply chain control, enabling accounting for animals and ensuring treatment according to OIE standards.

In implementing the new arrangements, the Australian Government should set a timeframe which will take account of the following elements:

a. There should be consultation with foreign governments.

b. There should be consultation with Australian industry.

c. There should be a clear articulation of regulatory mechanisms, expectations and requirements.

d. The process should be completed for all supply chains by the end of 2012.

e. The process should set out priorities for attention, beginning with the largest markets or others with special circumstances; any proposed exports to new markets should be subject to the proposed arrangements with immediate effect.

f. There should be no interruption of trade in the meantime.

Recommendation 11

The Review recommends that industry should make its own plans to move to arrangements consistent with the proposed approach and do so to the extent possible before the onset of transition timeframes established by the Australian Government. The prevention of leakage from supply chains should be a particular priority in the immediate future.

Recommendation 12

The Review recommends that:

- DAFF/AQIS should examine resourcing, information and other requirements necessary for the efficient discharge of policy advice, regulatory and other responsibilities in relation to the overseas elements of the supply chain.
- DAFF/AQIS should also review issues identified in the Review in relation to service delivery and regulation in the domestic elements of the supply chain.

Recommendation 13

The Review recommends that, on the basis of experience during the implementation of the new arrangements, the Australian Government should if necessary refine the requirements. It should report to the Australian Parliament by June 2013, outlining initial experience and making judgements about the effectiveness of the approach in delivering animal welfare outcomes and facilitating trade.

Recommendation 14

The Review recommends that the Australian Government should articulate an approach to the question whether there is a need for any additional conditions for the export trade in breeder livestock.

1 The Review

1.1 Background to the Review

On 30 May 2011, the Australian Broadcasting Corporation (ABC) *Four Corners* program aired footage of mistreatment of Australian slaughter cattle within a number of Indonesian abattoirs.

On 31 May 2011, the Minister for Agriculture, Fisheries and Forestry announced an independent review into the livestock export trade. The minister also announced the suspension of trade to facilities identified in the ABC program.

On 8 June 2011, the minister announced that the Australian Government had suspended the live feeder and slaughter live trade with Indonesia until new safeguards for animal welfare were established. Following agreement on new arrangements specific to the Indonesia marketplace, on 6 July 2011 the Australian Government announced that it would resume issuing export permits for trade to Indonesia. Shipments resumed early in August.

The Independent Review into Australia's livestock export trade (the Review) was commissioned in the context of the Australian Government's wish to see a sustainable trade and to have assurance of animal welfare necessary to the acceptance of that trade by the Australian community. The Review was designed to assist the Australian Government establish new safeguards which provide verifiable and transparent supply chain assurance for every livestock consignment that leaves Australia for feeder/slaughter purposes.

The Review was tasked to look at the complete supply chain for live exports up to and including the point of slaughter. Specifically, the Terms of Reference for the Review were to examine:

a) the facilities, treatment, handling and slaughter of livestock, exported from Australia, in the importing country for consistency with the World Organisation for Animal Health (OIE) recommendations and standards set out in *Terrestrial Animal Health Code (2010)* published by the World Organisation for Animal Health and other relevant standards

b) the adequacy of the Australian Standards for the Export of Livestock (ASEL) as they apply to the preparation and export of all livestock, with consideration of responsibilities for compliance and enforcement of the ASEL

c) the adequacy and effectiveness of current Australian regulatory arrangements for the live export trade

d) the types of livestock suitable (weight, age, body condition, breeds) for export as feeder or slaughter animals

e) the extent of monitoring required for each export consignment of feeder or slaughter livestock, in a manner that ensures accurate and transparent reporting to the Australian Government of the condition of the livestock from departure from Australia up to and including the point of slaughter in the country of destination

f) the risk management strategies necessary to address the welfare of animals from departure from Australia, up to and including the point of slaughter in the country of destination

g) other matters relevant to these terms of reference that the reviewer considers appropriate.

The Review was asked to report to the minister by 31 August 2011, with an interim report by 29 July 2011.

1.2 The Review

On 13 June 2011, Mr Bill Farmer AO was appointed to undertake the Review.

Supporting Mr Farmer was a small secretariat within the Department of Agriculture, Fisheries and Forestry.

To assist in the technical aspects of the Review, Professor David Mellor ONZM and Dr Robin Vandegraaff were engaged as independent subject matter specialists.

Professor Mellor is internationally recognised as an expert in animal welfare and slaughter, is co-director of Massey University's Animal Welfare Science and Bioethics Centre and was a member of the ad hoc group that developed the OIE slaughter standards.

Dr Vandegraaff was formerly the Chief Veterinary Officer for South Australia and is a former member of the National Consultative Committee on Animal Welfare and the Australian Animal Welfare Strategy Advisory Committee.

1.3 Conduct of the Review

The Review used a combination of methods to develop a sound understanding of issues surrounding the livestock export trade.

1.3.1 In-country visits

The Review travelled to several international markets to obtain a clearer understanding of specific market conditions. Time constraints restricted the number of countries that could be accessed, but the Review believes those markets which were visited were broadly representative of the wider context. Whilst visiting international markets the Review was able to meet key government officials, stakeholder companies and organisations, and conduct on-site visits to facilities.

Specifically, the Review visited:

- Bahrain
- Egypt
- Indonesia
- Israel
- Jordan
- Kuwait
- Malaysia
- the Philippines
- Turkey.

1.3.2 Domestic visits

The Review undertook a series of visits across Australia to consult widely and examine the practical application of the current regulatory framework in a domestic setting.

The Review accessed and viewed the loading of consignments at ports, registered premises, trucking and infrastructure facilities and properties of origin. The Review travelled to Queensland, the Northern Territory, South Australia, Victoria and Western Australia to witness different aspects of the supply chain.

1.3.3 Desk top analysis

The Review drew on significant amounts of existing material relevant to Australia's livestock export trade. This included previous reports and data funded by government, industry and other stakeholder organisations, as well as submissions to the Review.

1.3.4 Stakeholder meetings

The Review met with a number of government, industry and animal welfare organisations both nationally and internationally. These meetings provided opportunities for open and frank discussions regarding livestock export. Canberra-based Embassies and High Commissions were advised of the Review. A full list of stakeholder consultations is included at Appendix H.

1.3.5 Public submissions

The Review actively sought the views of people interested or involved in the livestock export industry. From 23 June 2011 a call for public submissions to the Review was made. A new website (www.livestockexportreview.gov.au) was established to provide access to the details of the Review, including Terms of Reference. Submissions were sought through this portal, in addition to advertisements in the major metropolitan and rural newspapers. The Review wrote to 55 key stakeholders and invited foreign governments and overseas industry to make submissions.

533 submissions, from a range of individuals and national and international organisations, were received.

Table 1.1 Classification by location of respondent

State/territory	Number of submissions
Queensland	154
Western Australia	105
Victoria	93
New South Wales	89
Northern Territory	44
South Australia	30
Australian Capital Territory	10
Tasmania	3
Overseas	5
Total	**533**

There were 425 submissions from individuals, 56 from companies (of which 39 were livestock producers), 25 from industry representative organisations, 16 from animal welfare representative organisations, five from local government, five from overseas governments/individuals and one from a state government agency.

Of those submissions classified as from individuals, 106 respondents identified themselves as industry stakeholders, either as cattle producers (99) or in some allied role. Of the individual submissions, 34 were from veterinarians/other professionals, three from members of parliament and two from academics.

Submissions were also classified in terms of whether they supported the continuation of livestock exports (260 submissions) or not (251 submissions). Of those submissions which did not support the continuation of the trade, some referred to a phasing out of the industry, while the majority supported an immediate ban. There were a number of submissions which indicated neither support nor lack of support for the continuation of livestock exports.

A full list of submissions is provided in Appendix G.

On 15 August 2011, the Review was given film footage by Animals Australia of sheep and cattle slaughtering practices in Turkey. The Review had already by that date visited Turkey and had the opportunity to make its own observations there.

1.4 Scope of the Review

The Review used the definition of 'livestock' contained in the *Export Control (Animals) Order 2004*:

> Livestock means cattle, sheep, goats, deer, buffalo and camelids (that is camels, llamas, alpacas and vicunas), and includes the young of an animal of any of those kinds.

In line with its Terms of Reference, the Review's primary focus was on the export of livestock for feeder or slaughter purposes. Although not considered livestock, the array of animals exported from Australia also includes:

- companion animals such as dogs and cats
- horses exported for competition or breeding
- native animals exported for zoological purposes
- cold-blooded animals such as fish or insects.

The Review focused on the exportation of cattle, sheep and goats for slaughter as these species account for the vast majority of livestock exported from Australia for this purpose. In this context, the Review also focused on the movement of livestock by sea as this is the dominant mode of transport utilised by the industry.

The Review noted that sizeable numbers of livestock are exported for breeding purposes, particularly dairy and beef heifers. A number of these animals are slaughtered at the end of their commercial life, and the Review discusses this issue in Chapter 8 'Other Matters'.

Although this was not foreshadowed when the Review was commissioned, in practice the Review operated concurrently with a number of other processes examining similar issues. The Senate Standing Committee on Rural Affairs and Transport initiated an inquiry into Animal Welfare Standards in Australia's Live Export Markets. For its part, the Australian Government also commissioned Industry Government Working Groups to consider issues related to the livestock export industry. The Australian Government received three reports from these Working Groups: in July, relating to exports to Indonesia; and late in August, relating to cattle exports to other markets and to sheep and goat exports. In addition, the Australian Chief Veterinary Officer (ACVO) was asked to coordinate an independent scientific assessment of the ongoing appropriateness of the Mark I and Mark IV restraint boxes. The Review had access to the ACVO's report of that assessment.

By comparison with the circumstances which apply to most reviews commissioned by government, an unusual dynamic was at work during the Review process. For understandable reasons, the Australian Government acted in July 2011 to enunciate principles and approaches in relation to the feeder and slaughter livestock export trade to Indonesia. These bear in substantial ways on matters which the Review was charged with examining. In the circumstances, part of the approach the Review adopted was to

assess whether principles and approaches which were developed in relation to one market have wider value in all markets – with or without variations.

In accordance with this approach, the Review noted the Australian Government's various statements on live exports and examined the principles and approaches developed by the Industry Government Working Group on Live Animal Exports relating to export to Indonesia. These principles are set out in Chapter 7.

The Review took the opportunity to sound out views on these principles and approaches with stakeholders in Australia and overseas.

1.5 Interim Report of the Independent Livestock Export Review

A copy of a letter of 29 July 2011 to the minister, comprising the interim report of the Review, is attached (Appendix C).

1.6 Past reviews

This Review is not the first to explore aspects of the livestock export trade. An Independent Reference Group (IRG) reported in 2000 and 2002, while Dr John Keniry chaired a review which reported in 2003 (the Keniry Review). In all cases, the reviews reported to the Minister for Agriculture, Fisheries and Forestry.

1.6.1 Independent Reference Group

As a result of several significant incidents in 1998 and 1999, an Independent Reference Group (IRG) relating to live cattle exports was established in July 1999. It was commissioned to assess controls the industry had in place and to recommend what should be done to prevent further incidents.

In February 2000 the IRG reported gaps in key areas of the livestock export process. These deficiencies were located throughout the supply chain, from property of origin to point of loading. The IRG found a lack of communication across the entire chain, in addition to legislative and regulatory issues between the Commonwealth, and states and territories. Among their 11 recommendations, the IRG advised that the powers of the Australian Quarantine and Inspection Service (AQIS) to audit certification or specific aspects relating to the export of livestock be strengthened under legislation, in addition to formalising emergency management procedures and strategies.

The full set of the IRG 2000 Terms of Reference and recommendations is at Appendix D.

Following a series of incidents which resulted in significant mortality rates in livestock exports, the IRG was recalled by the then minister in October 2002.

The IRG concluded that the recommendations of its February 2000 report remained highly relevant. It noted that some elements of its recommendations had been

successfully implemented. However, it also found that neither industry nor AQIS had applied a significant change in practice throughout the supply chain, which was the base of the IRG's earlier recommendations.

The IRG advised the immediate development of an industry–government joint action plan to provide a comprehensive framework for the sustainability of the livestock export trade into the future. It also advised that a risk assessment framework should be applied to individual voyages to improve visibility and communication to create an improved approach to risk aversion and investigation.

For that reason a working group and subsequently an industry consultative committee were formed to develop and implement the Action Plan for the Live Export Industry (APLEI). Although it focused on several projects, the major outcome of the APLEI was the implementation of the 'heat stress' model. Underpinned by Australian Meat and Livestock Industry Orders, during the winter months exporters from southern Australia were required to submit consignment risk management plans when lodging a Notice of Intention to export with AQIS. These plans form part of the current regulatory framework and are required to contain management measures which address risk factors to animal welfare, such as heat stress and salmonellosis, during voyages.

The full set of the IRG 2002 Terms of Reference and recommendations is at Appendix E.

1.6.2 Keniry Review

On 5 August 2003 the MV *Cormo Express* left the Port of Fremantle for Saudi Arabia with a cargo of 54,000 sheep. Ensuing events resulted in the cargo not being able to disembark at the original destination point. After an extended time the vessel was able to land in Eritrea.

On 10 October 2003 the then Minister for Agriculture, Fisheries and Forestry announced a review into the livestock export industry to address issues highlighted from the MV *Cormo Express* experience. Dr John Keniry was appointed as Chairman of the five member review.

The Keniry Review was asked to consider the recommendations of the IRG and implementation of the APLEI, which were being progressed through the Livestock Export Industry Consultative Committee at the time.

The Keniry Review made a number of recommendations. Several of the recommendations were implemented, some were applied in a modified form and some were not supported.

Consistent with recommendations of the Keniry Review, the Australian Government established an Australian livestock export code (which became ASEL) and altered export licensing approval arrangements so that government alone was responsible for issuing export permits, taking into account the history of exporters and related entities.

The Keniry Review recommended that veterinary responsibilities for the treatment and preparation of animals be included in legislation and that third party veterinarians be

employed directly by AQIS, not the exporter. Legislation was introduced to support the roles, responsibilities, sanctions and the training for private veterinarians providing specified services and documentation. However the transfer of responsibility to AQIS of administering the employment and allocation of veterinarians across Australia was not supported. Instead, exporters were to nominate an AQIS-accredited veterinarian (AAV) to provide specified services that AQIS would approve prior to the exporter commencing collection of stock for the consignment.

The Keniry Review also recommended that veterinarians accompany all voyages over 10 days and 10 per cent of other voyages, and be required to report directly to AQIS on environmental conditions and welfare matters onboard. The Australian Government instead applied a risk management approach whereby AAVs accompany consignments on voyages to the Middle East and those considered a higher risk. Underpinned by the Export Control (Animals) Orders, onboard accredited veterinarians must supply reports on the health and welfare of livestock consignments to AQIS daily for voyages over nine days and following the completion of all voyages. However the proposal for the provision of reports to AQIS directly was not implemented and reports are supplied to AQIS through the exporter.

In the past, high mortalities have been associated with the export of stock from Portland and Adelaide during winter. Several factors contributed to these rates including poor sourcing, selection and preparation of stock at the feedlot, harsh climatic conditions combined with the lack of adequate shelter. These factors were compounded with rough and cold conditions experienced on the journey across the Great Australian Bight. The Keniry Review recommended that exports be banned in circumstances where high mortality rates could be predicted and risks to animal welfare were the greatest. The Australian Government adopted a risk management approach to upgrade facilities and improve the sourcing, selection and preparation of livestock to reduce the risks associated with exporting stock from southern ports in winter.

Recommendations to establish by agreement an operational quarantine holding facility for markets in the Middle East and develop an emergency management plan were accepted and implemented by the Australian Government in reply to disease and quarantine concerns examined by the Keniry Review.

A new compulsory research and development levy was also introduced as part of the Australian Government's response to the Keniry Review, in addition to separate government and industry funding to help improve animal welfare outcomes associated with the trade.

The full set of the Keniry Review Terms of Reference and recommendations is at Appendix F.

2 The Australian livestock export trade

2.1 History and development of the industry

Since first exporting live sheep over 150 years ago, Australia's livestock export trade has developed to become the largest in the world and an important element of Australia's rural sector. Australia exports a variety of livestock species, both for slaughter and breeding, including cattle, sheep, goats, buffalo, deer and camelid species. The first three of these species dominate the volume and value of the trade.

The 1970s and early 1980s were a watershed period for the industry, with growth in live animal exports and the development of export infrastructure.

During this period the economic development of a number of South-East Asian countries led to growth in demand for meat. In particular, some South-East Asian countries enacted policies to develop local feedlot industries. In response, many Australian producers changed their cattle management regimes to provide for the requirements of these markets, becoming more focused on exports for feeding and slaughter, rather than breeding. As noted by Drum and Gunning-Trant (2008, p. 1):

> Before 1980, cattle herds in northern Australia were not typically contained within paddocks. Cattle spent their lives in the bush until mustered by producers for slaughter. The weight, quality, condition and age of these cattle varied considerably, some being as old as five or six years [citing ABARE 2007, *Australian beef: live cattle export trade*]. Consequently, the meat produced was of low quality and commanded a low price.

Australian cattle producers also put in place improved infrastructure arrangements, pasture management regimes and cattle selection systems to meet the requirements of the market.

Total sheep numbers in Australia fell from 111 million in 2001 to 68 million in 2010, a decrease of 39 per cent over the decade (Martin & Phillips 2011, p. 2). The total number of sheep exported over this period also decreased, with exports dropping from approximately 6.8 million head in 2001 to approximately 2.9 million head in 2010, a fall of 56.4 per cent (LiveCorp 2011).

However, the value of the individual animals exported increased significantly. In recent years, Australian producers have tended to make the transition from exporting older, less commercially useful sheep, to gearing their operations towards providing sheep which meet the demands of key markets, particularly those in the Middle East. This has included some investment in preferred species such as the awassi breed, or other 'fat tail' varieties.

Goats, deer, buffalo and camelid species have also become part of the live export industry, although the number of deer, buffalo and camels exported is relatively small.

Goats are generally mustered from rangelands and then assembled, rather than intensively produced on properties. Total goat exports grew to become a $10.34 million industry in 2010 (DFAT 2011), with the majority of exports departing from South Australia.

Australia's buffalo industry is based primarily in the Northern Territory and was valued at slightly over $5 million in 2006–07 (RIRDC 2009, p. 8). Just over 2,000 buffalo were exported to Indonesia for slaughter in 2010, with a much smaller number to Brunei Darussalam. Small numbers of buffalo have been exported to countries such as Japan and Malaysia for breeding purposes in recent years.

Exports of deer and camelid species have been quite small in recent years, with the majority of exports for breeding rather than slaughter purposes. Libya and the Philippines imported small numbers of camels from Australia in 2010 for breeding, while Canada, New Zealand, the Philippines and Thailand imported approximately 600 alpacas for breeding during 2010. Australia exported 50 head of breeder deer to Malaysia in 2009.

Australian and international businesses have invested significant capital into developing the supply chain for livestock exports, including investment in transport, shipping and port infrastructure, as well as vertically integrated chains. For example, in its submission to the Review, the Australian Livestock Exporters' Council noted that, in shipping alone, the livestock export industry is serviced by over 20 vessels specifically for carrying cattle, sheep and goats. The submission noted that these investment strategies are long-term in nature, with new vessels taking 3–4 years to be commissioned from design, through to construction and then to launching (ALEC submission, p. 26).

The Australian Government has, in conjunction with industry, funded investments in infrastructure through such initiatives as the Live Trade Animal Welfare Partnership designed to improve animal welfare and support trade with overseas markets. For example, in the Middle East $1,395,000 of joint investment between the government and industry in 2009–10 and 2010–11 was used to improve the supply chain from ports, to discharge, to points of slaughter, and built on work which has been ongoing for five years to assist facilities to meet World Organisation for Animal Health standards (DAFF 2011a).

2.2 Demand drivers for Australia's live export trade

Increasingly prosperous markets, food security concerns, a preference for freshly slaughtered meat, infrastructure constraints and religious and cultural factors all play a role in driving demand for Australian livestock exports.

As noted above, demand for Australian livestock has increased in line with economic growth in key importing countries. As these populations have grown and prosperity increased, there has been increased demand for meat and the protein it provides.

Food security is also a challenge facing many of our trading partners, creating demand for imported food such as meat. In the 2010 report *Australia and Food Security in a*

Changing World, the Prime Minister's Science, Engineering and Innovation Council Expert Working Group noted that Australia is well placed to ease food security pressures:

> Although Australia accounts for less than three per cent of global food trade, we are among the net food exporting nations of the world. While the challenges around food security are considerable, there are significant opportunities for Australia to contribute to global solutions. (PMSEIC 2010, p. 1)

Countries with food security concerns demand imported food which can be provided on a consistent basis and to the requirements of the market. Australia's livestock export trade is well placed to meet these requirements.

In addition, a number of countries, particularly in the Middle East, have subsidised meat for their citizens for some years in an effort to ease food security concerns. This has created additional demand for meat and, by extension, Australian livestock.

In a number of markets there is a strong preference for live animals rather than chilled or frozen meat. One reason for this stems from infrastructure constraints, such as a lack of home refrigeration and cold storage and transport.

> Wet markets are the traditional meat marketing system in Asia. They are characterised by the sale of fresh meat in open air stalls with little or no refrigeration. In many Asian markets, the fresh meat market is the only option available to consumers, particularly those outside urban areas (Drum & Gunning-Trant 2008, p. 19).

Furthermore, given the relatively recent introduction of chilled meat in certain markets, there can be a cultural barrier to eating frozen or chilled meat.

Drum and Gunning-Trant (2008, p. 20) note that refrigerated storage and logistics do not represent such a barrier in Middle Eastern markets, and the preference for fresh meat tends to stem from religious and cultural factors. This is not a static position, and chilled meat now accounts for up to half the exports to Bahrain, for example.

Religious requirements also drive demand for Australian livestock in certain markets. For example, halal and kosher traditions place strict requirements on how an animal must be slaughtered, and on treatment before and after slaughter. While there is a valuable export trade in meat which is slaughtered and prepared in line with religious requirements, there is still a preference within many countries to slaughter animals under the auspices of local religious officials, in order to maintain control over the process.

Australia's proximity to South-East Asian markets and the fact that it is free of foot-and-mouth disease have also been major drivers for the livestock export trade with this region. In addition, there is significant comparative advantage in fattening and processing Australian animals in importing countries such as Indonesia. This is due to relatively lower costs for feed and labour when compared with Australian operations.

2.3 Contribution to the Australian economy

2.3.1 Value of the trade

As noted above, Australia is the largest exporter of livestock in the world, with average annual earnings of approximately $1 billion between 2005 and 2009 (CIE 2011, p. 5).

2.3.2 Contribution to regional economies

It is estimated that the livestock export trade underpins the employment of around 10,000 people in regional Australia, particularly across northern Australia and Western Australia, and provides livestock producers with an alternative, additional market from the domestic meat market.

The industry is concentrated within specific regions and these regions often tend to produce livestock for specific markets. For example, in recent years, more than 90 per cent of total live cattle exports have been sourced from the northern region, including cattle sourced from the Northern Territory (40 per cent), Western Australia (39 per cent) and Queensland (13 per cent) over the period 2006-09 (CIE 2011, p. 21).

In July 2011, the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) released a report entitled *ABARES survey of beef cattle producers in the northern live cattle export regions*. This provided an insight into the structure of the cattle export industry in northern Australia. It noted that the trade was concentrated, with the largest 6 per cent of farm businesses accounting for 65 per cent of intended exports to Indonesia, while the smallest 24 per cent accounted for only 5 per cent of intended exports. The report also noted that family businesses made up 91 per cent of all livestock export businesses, but only 70 per cent of intended exports.

The importance of the live sheep trade to Western Australia is illustrated by the fact that around 80 per cent of live sheep exports are loaded from Western Australian ports. The remainder are loaded in South Australia and Victoria.

The development of the livestock export trade and associated investments in infrastructure have resulted in a gradual increase in land values in cattle and sheep properties over the past decade. The livestock export trade has also improved regional economies, with higher on-farm returns flowing onto local communities (CIE 2011, pp. 66–67).

In March 2011, the Centre for International Economics (CIE) prepared a report for LiveCorp and Meat and Livestock Australia entitled *The contribution of the Australian live export industry*. This report measured the value of the industry by assessing 'the potential impact of closing the live export trade on prices and quantities across the entire livestock industry' (CIE 2011, p. 5).

The CIE report projected that without the live export trade there would be numerous flow-on effects through the Australian livestock industry. Farm returns for cattle producers would likely be lower, due to decreased demand and increased transport

costs to take animals to other markets. The report also projected that saleyard prices would be lower across Australia, with decreases per kilogram liveweight of:

- 4 per cent for cattle
- 7.6 per cent for lambs and
- 17.6 per cent for older sheep.

The report recognised that a permanent stop to the live export trade would benefit the meat processing sector and would likely result in decreases in the value of land in regions which rely on the livestock export industry.

Importantly, the report noted that these projected decreases relate to national average prices, suggesting that the impact would be much more acute in regions reliant on the live export trade. These impacts would likely be sustained, given the lack of alternatives at the farm level, particularly for those reliant on the live trade such as cattle producers in Northern Australia and sheep producers in Western Australia.

2.4 Australia's meat export trade

The Australian Meat Industry Council (AMIC) submission to the Review stated that between 90 and 95 per cent of livestock turnoff in Australia is processed in businesses within Australia (AMIC submission, p. 2).

Australian exports of beef, sheep and goat meat were valued at approximately $6.4 billion in 2010 (DFAT 2011). Australian producers have experienced a greater reliance on exports of meat in recent years due to a decrease in domestic consumption and an increase in the production of red meat.

As noted in a 2009 report entitled *The value of the red meat industry to Australia*:

> In the late 1980s, less than 60 per cent of beef was exported; this had increased to 64 per cent by 2007-08. For lamb, less than 15 per cent was exported in 1988-89, but by 2007-08 this had increased to 45 per cent. (Fletcher, Buetre & Morey 2009, p. 5)

A number of submissions to the Review argued that there would be benefits in exporting meat processed in Australia, rather than exporting live animals for slaughter.

It was argued that, economically, these benefits may include greater employment opportunities and increased profits from value adding. It was also contended that animals slaughtered in Australia are subject to higher animal welfare standards than those overseas, and therefore, better animal welfare outcomes are ensured.

The World Society for the Protection of Animals commissioned a report from the consulting group ACIL Tasman entitled *Australian live sheep exports: economic analysis of Australian live sheep and sheep meat trade*. This report focused on the Western

Australian live sheep export trade, and the sheep meat trade from both a national and regional perspective.

While the report assumes a capacity to substitute processed meat for live animals in Middle Eastern markets, it provides an alternative view to the CIE report. The ACIL Tasman report argues that there would be substantial benefit to the economy of Western Australia by processing sheep domestically, rather than exporting them live. The report argued that a sheep processed domestically is worth approximately 20 per cent more to the Western Australian economy than one exported live (ACIL Tasman, p. 41).

However, advocates of Australia's livestock export industry have long argued that commercial, cultural and logistical issues differentiate the live trade from the meat export trade.

Many producers, particularly in northern Australia, are highly geared towards the trade and there are limited alternative business options available to these producers. For example, cattle producers geared to the live export market generally produce Bos indicus cattle which are popular in South-East Asian markets, but have limited commercial appeal in Australia. Furthermore, options for slaughter in domestic abattoirs are limited in northern Australia and often require transportation over long distances, increasing costs.

It is contended by some that while demand for meat has increased in recent years in markets traditionally weighted towards livestock exports, for many there is still a preference for livestock over chilled or frozen meat. It has also been argued that processing in Australia would likely increase the cost of meat in importing countries, making the product less affordable for local consumers.

The Australian Government aims to have a sustainable export trade for livestock, provided that animal welfare standards can be assured.

2.5 Australia's place within the global livestock export trade

Australia exported 3.8 million feeder or slaughter cattle, sheep and goats in 2010, valued at $863 million and accounting for 2.7 per cent of Australia's agricultural exports in that year. In that year, Australia exported live cattle to 19 countries, live sheep to 16 countries and live goats to 9 countries (DFAT 2011). Australia also exported breeding livestock worth $149 million in 2010.

Department of Foreign Affairs and Trade (DFAT) statistics show that in 2010, Australia's largest markets for live cattle exports, in terms of value, were (DFAT 2011):

- Indonesia ($316 million, 60 per cent of exports)
- Turkey ($53 million, 10 per cent of exports)
- Egypt ($48 million, 9 per cent of exports).

Table 2.1 Australia's major live cattle export markets (feeder/slaughter purposes) by calendar year (value and volume)

Country	2008 A$000	2009 A$000	2010 A$000	2008 volume	2009 volume	2010 volume
All countries	**511 998**	**551 504**	**531 366**	**807 504**	**891 133**	**796 188**
Indonesia	409 506	466 431	316 524	644 639	756 312	517 478
Bahrain	991	4 915	533	1 184	7 413	600
Brunei	3 186	3 769	2 951	3 730	4 186	3 159
Egypt			48,197			56,441
Israel	30 166	20 676	24 996	51 721	36 901	40 276
Japan	17 418	13 283	17 215	19 770	15 691	14 699
Jordan	457	14 586	10 153	830	27 578	19 257
Kuwait	582	1 427	684	731	1 096	598
Libya	19 268		10 192	38 113		19 269
Malaysia	11 529	8 306	10 884	16 063	12 345	16 344
Mauritius	1 660		570	2 420		800
Oman	425			500		
Philippines	7 492	6 857	8 679	10 701	12 125	16 155
Qatar	140	607	2 382	199	600	2 561
Saudi Arabia	8 966	9 777	13 017	16 603	16 446	16 501
Turkey		168	53 428		168	64 338
United Arab Emirates	211	692	618	300	260	272
Other	0.6	10.2	10 342.7	0	12	7 440

Source: DFAT 2011 STARS database

In 2010, Australia's largest markets for live sheep exports, by value, were (DFAT 2011):

- Kuwait ($112 million, 35 per cent of exports)
- Bahrain ($54 million, 17 per cent of exports)
- Qatar ($41 million, 13 per cent of exports).

Table 2.2 Australia's major live sheep export markets (feeder/slaughter purposes) by calendar year (value and volume)

Country	2008 A$000	2009 A$000	2010 A$000	2008 volume	2009 volume	2010 volume
All countries	**320 335**	**321 745**	**321 282**	**4 212 870**	**3 562 643**	**2 963 329**
Bahrain	55 591	66 359	53 625	716 040	747 827	498 731
Israel	2 360	1 951	4 686	36 834	23 400	42 000
Jordan	26 000	38 377	27 901	383 943	470 511	265 986
Kuwait	67 663	77 993	112 055	956 276	948 271	1 076 455
Libya	1 765		7 313	25 076		75 026
Malaysia	2 077	1 765	1 838	24 636	16 614	14 764
Mauritius	28		21	390		150
Oman	56 987	26 672	8 296	741 106	289 223	69 073
Qatar	26 613	41 223	40 857	269 116	352 695	321 415
Saudi Arabia	68 322	55 035	30 180	873 937	576 147	262 500
Singapore	736	1 441	1 136	8 761	7 488	6 438
Turkey			20 459			215 038
United Arab Emirates	12 052	10 850	8 722	175 629	130 312	78 747
Other	141	79	4 193	1 126	155	37 006

Source: DFAT 2011 STARS database

In 2010, Australia's largest markets for live goat exports, by value, were (DFAT 2011):

- Malaysia ($8 million, 80 per cent of exports)
- Singapore ($600,000, 6 per cent of exports)
- Brunei ($258,000, 2.7per cent of exports).

Table 2.3 Australia's major live goat export markets (breeder and feeder/ slaughter purposes) by calendar year (value and volume)

Country	2008 A$000	2009 A$000	2010 A$000	2008 volume	2009 volume	2010 volume
All countries	**9 190**	**11 491**	**10 346**	**79 763**	**97 621**	**77 414**
Malaysia	7 746	10 515	8 441	64 705	89 138	64 705
Brunei	627	147	258	5 345	1 161	1 694
Singapore	307	690	642	3 389	6 894	8 833
Other	510	139	1 005	6 324	428	2 182

Source: DFAT 2011 STARS database

Australia also plays a role as the major and, in some cases the sole, supplier of livestock to certain overseas markets. For example, Australia supplies a majority of the live sheep

imported into Bahrain and Kuwait and, in 2010, Australia supplied 100 per cent of Indonesia and Japan's imports of feeder/slaughter cattle.

According to data provided by DFAT (DFAT 2011) Australia's major competitors in the livestock exports in key markets are:

- For cattle:
  - Uruguay, Brazil and Ethiopia in the Egyptian market
  - Uruguay, Brazil and Hungary in the Turkish market.
- For sheep:
  - Middle Eastern countries (e.g. Iran, Saudi Arabia, Syria and the United Arab Emirates)
  - African countries including Somalia and Sudan.
- For goats:
  - Burma and Indonesia.

Australia's livestock export trade is different in a number of ways from that of other developed nations.

Trade between countries in North America (i.e. between Canada, Mexico and the United States of America) is primarily in slaughter animals, generally cattle and pigs. Livestock are transported over land and do not need the more expensive long haul sea freight implicit in exporting from Australia.

New Zealand, at one time, exported modest numbers of livestock for slaughter purposes. However, following a change in government policy, the trade in slaughter livestock from New Zealand has effectively ended.

The bulk of European exports are between European countries and only some of the exports go to other countries by sea.

3 Current regulatory arrangements

3.1 Introduction

This Chapter addresses the Review's Term of Reference (c):

- the adequacy and effectiveness of current Australian regulatory arrangements for the live export trade

and some aspects of Term of Reference (e):

- the extent of monitoring required for each export consignment of feeder or slaughter livestock, in a manner that ensures accurate and transparent reporting to the Australian Government of the condition of the livestock from departure from Australia up to and including the point of slaughter in the country of destination.

There is some overlap of this chapter with those concerned with the adequacy of the Australian Standards for the Export of Livestock (Chapter 4) and the suitability of livestock for the export of feeder or slaughter animals (Chapter 5).

The Australian livestock export industry has evolved over a number of decades from being predominately self-regulated to the current arrangements where it operates primarily through government regulation and controls.

The current legal framework for livestock export is complex and comprises interacting Commonwealth, state and territory, and local government legislation and regulation. The Australian Government is responsible for that part of livestock export related to trade and international relations. State and territory laws have a domestic focus and regulate the treatment of animals in each jurisdiction to meet animal welfare requirements.

Notwithstanding the evolution of government regulation, the livestock export industry continues to be underpinned and given significant direction by several industry codes of practice and standards.

3.2 Current arrangements

This section is a statement of the intent of current legislative and other arrangements. An assessment of their effectiveness is contained in following sections.

3.2.1 Legislative requirements

The Australian Position Statement on the Export of Livestock sets out broadly roles and responsibilities for participants in each stage of the export chain. This can be accessed at www.daff.gov.au/animal-plant-health/welfare/export-trade/pos-statement. The exporter is the principal participant who must ensure animals sourced for export are fit and

healthy for the journey and that all regulations are complied with. Exporters are also responsible for ensuring the health and welfare of animals are provided for and that service providers meet these requirements.

The various levels of government provide a range of regulation and enforcement requirements.

Commonwealth

Under the Constitution, the Commonwealth is responsible for trade and commerce with other countries. Hence, Commonwealth legislation relating to the livestock export supply chain is generally aimed at maintaining market access for the export trade, by ensuring that importing country requirements are satisfied. The Commonwealth does not have specific legislation relating to animal welfare.

The primary legislative instruments administered by the Australian Quarantine and Inspection Service (AQIS) for the export of livestock include:

- *Export Control Act 1982*
- *Export Control (Animals) Order 2004*
- *Australian Meat and Live-stock Industry Act 1997* (the AMLI ACT)
- *Australian Meat and Live-stock Industry (Export Licensing) Regulations 1998*.

This suite of legislation regulates only the activities of those participants in the export chain responsible for the final stages of export, i.e. licensed exporters, operators of registered premises and AQIS-accredited veterinarians (AAVs). There are also a number of orders that set out specific conditions for a limited number of export markets, for example the *Australian Meat and Live-stock Industry (Export of Live-stock to Saudi Arabia) Order 2005*.

The other key component of the export framework is the basic animal health and welfare requirements for the export of livestock as set out in ASEL. ASEL are referenced in the *Australian Meat and Livestock Industry (Export Licensing) Regulations 1998* and the *Export Control (Animals) Order 2004*. ASEL do not specifically mandate animal welfare but do reference issues directly relating to animal welfare throughout the export chain.

An exporter must hold a licence under the AMLI Act before it can export livestock. The legislation requires that all exports must include adequate planning and risk mitigation measures to ensure adequate animal health and welfare outcomes for all stages of the export chain from sourcing through to the journey (sea or air) to the importing country. The plans detailed in the Consignment Risk Management Plan (CRMP) must detail how the exporter intends to prepare the animals in accordance with the importing country requirements and ASEL. Exporters must submit a Notice of Intention (NOI) with these plans to AQIS for assessment and consideration for approval.

If the exporter's NOI and CRMP are appropriate, an NOI approval is granted with attached Approved Export Program(s) (AEP). The NOI approval is the permission for

the exporter to prepare the animals in accordance with the NOI and CRMP. The AEP details tests, treatments, inspections and/or reports that must be undertaken by an AAV nominated by the exporter. In general, an AEP includes tasks prior to export or reporting tasks on a voyage.

AAVs are non-government veterinarians who deliver contract veterinary services to exporters. Under the Export Control Act, an AEP must be carried out only by an AAV. A veterinarian for this purpose is defined under the *Export Control (Animals) Order 2004* as a person who is registered under the law of a state or territory as a veterinarian, veterinary practitioner or veterinary surgeon and has completed a number of specified courses.

When an AAV is required to accompany a consignment, that person is responsible under Australian Government legislation for monitoring and regular reporting about the health, welfare and mortalities of livestock during the voyage from loading to disembarkation.

AQIS issues an AEP requiring an AAV to accompany higher risk voyages. This includes reporting requirements. An accredited stockperson must also accompany all livestock export voyages. For the voyages that do not have an AAV on board the reporting function is undertaken by the accredited stockperson. Accredited stockpersons are accredited by LiveCorp and employed by exporters for each voyage.

Prior to export, an AAV contracted by the exporter is responsible for testing, treating and inspecting animals in accordance with the AEP. The exporter is responsible for ensuring the animals are prepared in accordance with the approved NOI, conditions of approval, licence conditions, ASEL and importing country requirements.

AQIS veterinarians are responsible for inspecting both animals and documentation prior to export to ensure animals have been prepared in accordance with the approved NOI, conditions of approval of the NOI, licence conditions, ASEL and importing country requirements. Once AQIS is satisfied that all requirements have been met, permission to export can be granted by issuance of an export permit and health certificate.

A range of compliance measures and sanctions are available to AQIS relating to the export of livestock. Compliance measures can be applied to the livestock export licence including:

- application of conditions to the licence
- issue of a show cause notice
- revocation of the licence
- criminal sanctions.

A range of compliance measures can also be applied to the activities of a licence holder including:

- seeking additional information
- application of additional conditions to an export
- refusal to approve an NOI
- refusal to grant a permission to leave for loading
- review or revocation of registration of premises
- refusal to issue an export permit
- criminal sanctions.

The accreditation of an AAV can also be reviewed or revoked.

The Australian Maritime Safety Authority (AMSA) administers the *Navigation Act 1912* and Part 43 of the *Australian Commonwealth Marine Orders*. The Marine Orders confer powers over ship fit-out, water and fodder supplies and numbers of livestock permitted to be carried. They do not cover post-arrival unloading and handling arrangements. The Marine Orders contain specific provisions for the level of mortalities on ships that must be reported to AMSA and the requirement that AMSA be provided with an end-of-voyage report completed by the master of the ship.

States and territories

All states and territories have legislation covering livestock health, welfare and traceability. All jurisdictional Acts refer to national Model Codes of Practice, which cover livestock production and transport. Compliance with these codes is not mandated under legislation and they are generally written as guidelines, which are difficult to enforce.

State and territory animal legislation does not reference ASEL. ASEL require that the exporter comply with state/territory animal welfare legislation and animal welfare requirements.

All states and territories also have legislation ensuring animals can be traced and require a waybill (National Vendor Declaration/Waybill), or other compliance document, to be completed for all livestock movements. The waybill enables traceability of the animals transported at least one step forward and one step back in the supply chain.

National Livestock Identification System

The National Livestock Identification System (NLIS) is the domestic system to identify and trace livestock through the various supply chains. It is underpinned by state and territory legislation and forms part of the regulatory framework for the cattle, sheep and goat trade from the property of birth to slaughter. It uses a unique Property Identification Code (PIC), assigned by state and territory authorities to each livestock production property.

3.2.2 Domestic welfare standards

The Australian Animal Welfare Strategy guides the development of new, nationally consistent policies for animal welfare in all states and territories. The strategy was developed by the Australian Government through the National Consultative Committee on Animal Welfare, which includes state and territory governments, animal industry organisations, animal welfare groups and the public.

Under the Strategy, Animal Health Australia is managing a process to develop enforceable standards for livestock welfare, based on codes of practice, for incorporation into state and territory legislation. The process will develop Australian Animal Welfare Standards and Guidelines based on revisions of the current Model Codes of Practice for the Welfare of Animals. At this time, only revised standards and guidelines for livestock transport have been completed and these are now being referenced into state and territory legislation.

3.2.3 Industry-based quality assurance programs

Industry-based quality assurance (QA) programs have been developed covering on-farm animal handling, feedlot operations, transport, saleyards operations and animal processing.

For example, on-farm, the FlockCare and CattleCare QA programs are encompassed under a 'Livestock Production Assurance' program. This program is being redeveloped, through Meat and Livestock Australia (MLA) and AusMeat, as an encompassing on-farm QA system called AgriSure.

In the land transport sector, TruckCare is an industry-based QA program developed by the Australian Livestock Transporters Association. Its stated purpose is to improve animal welfare, occupational health and safety, and biosecurity.

Also for transport, the *Is it fit to load*? booklet developed by MLA shows pictures and has plain language explanations so producers and transporters can quickly decide if an animal is fit for transport.

These programs have varying rates of acceptance and adoption by users, particularly in the extensive grazing livestock industries. There is no overarching accountability or process integrating the separate industry QA systems.

3.2.4 International requirements

Importing countries determine animal health certification requirements for the import of livestock. The exporter is responsible for obtaining of the importing country requirements for each consignment and preparing livestock in accordance with those requirements.

3.2.5 Monitoring and reporting

When an AAV accompanies a consignment of livestock on a voyage, the AAV must provide the required reporting. If an AAV is not on the voyage, under ASEL

requirements the accredited stockperson must provide the reports. The reports must include data on the health, welfare and mortalities of livestock during the export voyage, conditions on board, epidemiological data and other information. These reports are forwarded to AQIS via the exporter. For journeys greater than or equal to 10 days, a daily report on the health and the welfare of the livestock is required, which goes via the exporter to AQIS. An overview report is required for each export air journey.

The Minister for Agriculture, Fisheries and Forestry provides a report to both houses of parliament every six months on the outcomes of each livestock voyage by sea, using information reported to AMSA by the master of the live export vessel. This report incorporates shipboard mortalities and provides total numbers/percentage per species.

A reportable mortality event is one with a mortality level higher than the notifiable level in ASEL for each species. All reportable mortality events are investigated by AQIS and the results of the investigation are placed on the AQIS website. The reporting requirement of ASEL and an AEP issued for an onboard AAV include reporting of mortalities during loading and voyage until the point of unloading the last animal. The difference in requirements for reporting creates potential for discrepancies with the reports obtained under the Navigation Act which are provided to parliament. AQIS may impose additional conditions following a voyage with a higher mortality rate. The additional conditions and mortality levels of subsequent consignments are included in the investigation report placed on the AQIS website.

The Australian Government has no jurisdiction over foreign flagged vessels once they leave Australian waters. Therefore there is limited regulatory capacity to enforce the submission of the master's reports except through the registration requirements under the Marine Orders. To manage this, AQIS does not process a NOI or CRMP until end-of-voyage reports for previous shipments have been received.

There is no requirement for reporting on mortality or other issues for animals prior to entering a registered premises. However, for livestock exports by sea the exporter must provide a declaration that the animals have been prepared in accordance with the approved NOI, CRMP and the importing country requirements prior to an export permit being issued. ASEL provisions include daily monitoring and investigation of mortalities in the registered premises prior to export by sea.

3.2.6 Incident response arrangements

As outlined in the Australian Position Statement on the Export of Livestock (Section 7.3 'Incident response arrangements'), adverse incidents have the potential to impact on the health and welfare of a large number of animals, particularly when a vessel is at sea. Exporters must prepare contingency plans to deal with the possibility of such incidents. Such incidents also have the potential to affect adversely the livestock export industry and Australia's international reputation.

The Australian Government has a Live Animal Export Incident Response Plan, which provides a framework for consultation, coordination of incident management between the three spheres of government and industry, and decision-making processes in the event of an incident involving live animals en route from Australia.

The Australian Government also has in place a requirement for a number of markets that exporters identify alternate markets before the approval of their CRMP and NOI.

During the course of the Review a vessel loaded with sheep bound for the Middle East was forced to return to port in Australia following a mechanical breakdown of its primary generator. The sheep were unloaded and transported to an approved feedlot and held in quarantine. The management of this incident included AMSA, AQIS, Animal Health Committee and industry stakeholders. The Animal Health Committee comprises representatives of the Commonwealth and state and territory governments. This demonstrates that in the event of a problem occurring there must be workable risk management plans and good coordination and cooperation between all the relevant parties.

3.3 Current debate and issues raised in submissions to the Review

Views about the regulatory framework in submissions to the Review were generally polarised, with industry arguing that it is adequate and animal welfare advocates arguing that it is not. Many submissions extended their criticism of the 'regulations' to events in other countries over which Australia has no jurisdiction.

3.3.1 Adequacy of the current regulatory arrangements

The general view of industry was that the livestock export industry is highly regulated, with many aspects of world's best practice. Industry considered the regulatory system to be sound, comprehensive and robust, with strong support by industry programs, codes and communication materials to deliver animal welfare outcomes meeting World Organisation for Animal Health standards up to disembarkation. Industry commented that the regulatory arrangements result in good animal welfare outcomes within Australia.

One industry submission typified this view:

> Regulatory arrangements are currently sufficient to ensure good animal welfare outcomes and this is supported by the low incidence of mortality (0.04% mortality for cattle exported to South East Asia). In addition to the good outcomes already being achieved, cattle producers and livestock exporters continue to invest in research and development to improve animal welfare outcomes. (Cattle Council of Australia submission, p. 4)

Another industry stakeholder suggested the live export trade was heavily regulated, explaining that:

> We receive an Approved Export Program (AEP), a Notice of Intent (NOI) and a Consignment Risk Management Plan (CRMP) prior to each shipment being received. We also receive a list of vendors displaying the type of stock, area of sourcing and property brand for NLIS compliance monitoring. No animal can leave the depot until an AQIS vet and an independent 3rd party vet have inspected the sheep within

> 48 hours of the planned departure. No Leave for Loading Permit is issued until the vessel has been approved and the vets have signed off on the stock. (Michael Trant submission, p. 1)

In contrast, the typical view of animal welfare organisations and several individuals was that the current regulatory arrangements are unenforced and unenforceable. For example:

> The Australian Government lacks direct powers to legislate animal welfare requirements. ASEL falls under its powers to legislate with respect to foreign trade, and as such is enforced by the Australian Quarantine and Inspection Service (AQIS). However, AQIS lacks the necessary powers to enforce some sections of the Standards and as a quarantine service also is not properly equipped to cover the field of animal welfare. Thus, while the Standards take a "whole of chain approach" covering all aspects of the livestock export trade from planning through to on-board management, many sections of the Standards lie outside the jurisdictional powers of the Australian Government, and can only be enforced under State and Territory legislation. No Australian state or territory government has yet legislated to recognise ASEL, so it is not currently enforceable by them. As a result, large sections of ASEL are effectively unenforceable. It should be noted that because the livestock export trade involves multiple states/territories, and animals frequently cross boundaries during land transport, there are also some substantial jurisdictional issues that need to be resolved while the land transport standards are not yet implemented consistently across state/territory legislation. (RSPCA Australia submission, p. 4)

3.3.2 Roles and responsibilities

An issue raised in many submissions to the Review was the limited ability of the Australian Government to legislate and regulate animal welfare within Australia and the fact that, for the most part, the states and territories have not included ASEL provisions for animal welfare in their respective legislation.

Examples of problems because of a lack of Australia-wide animal welfare legislation, and confusion between jurisdictional responsibilities, were highlighted in several submissions.

These views were not limited to non-government submissions:

> From a Queensland Government perspective there is uncertainty over the Australian Quarantine Inspection Service (AQIS) jurisdictional responsibility and the enforcement of compliance with animal welfare requirements at registered premises. Animal welfare outcomes would be enhanced if there was greater collaboration between the Commonwealth and State in the enforcement of the ACPA [Queensland's *Animal Care and Protection Act 2001*]. In this instance the enforcement of the ACPA is the underpinning animal welfare legislation up to the point of loading onto a vessel. (Queensland Government Department of Employment, Economic Development and Innovation submission, p. 2)

Two major concerns were raised by many respondents about the regulation of live exports by AQIS – the level and effectiveness of monitoring by AQIS, and the potential for conflict of interest for AAVs on ships.

In relation to monitoring, some animal welfare advocates argued that inspections, monitoring, reporting and response by AQIS are inadequate. Specific instances were cited and claims made that AQIS has not taken appropriate action against clear breaches of standards. For example:

> What is clearly evident from the [AQIS] reports which have been published and the reports obtained by Animals Australia is that there is clear evidence of breaches of ASEL in those reports. Yet actions taken by AQIS have been trivial, almost invariably involving placing additional conditions on subsequent export voyages. The obvious question is "what does it take for AQIS to penalise the exporter for breaking the law?" (Animals Australia submission, p. 22)

With respect to the potential for conflict of interest, the main concern expressed in submissions was that an AAV on a ship is employed by the exporter and is therefore subject to pressure to deliver reports acceptable to the exporter. This concern was raised in several submissions, including by some AAVs. Examples of comments were:

- The AVA supports this system of accreditation but believes that the independence and impartiality of the AAV may have the potential to be compromised due to that veterinarian being employed by the exporter. (Australian Veterinary Association submission, p. 7)
- This system removes objectivity and provides Industry with an incentive not to highlight negative events, although accredited veterinarians who accompany consignments during the sea journey must report to AQIS. (Compassion in World Farming submission, p. 5)
- If the AAVs are silenced by Confidentiality Agreements and only report what employers and administrators want to hear then this industry will be allowed to continue on for all time. The AAV system – with the veterinarian being employed by the exporter – may result in systemic failure because of the possibility of conflict of interest. (Captain (Dr) Peter Kerkenezov submission, p. 8)

3.3.3 Proposed changes

In considering changes to the current regulatory arrangements, a range of suggestions were made including having AAVs on all voyages and implementing independent governance of animal welfare laws and regulations.

A number of submissions proposed mechanisms to improve communication between government and industry, and between the Australian Government and state and territory governments. The Queensland Department of Employment, Economic Development and Innovation suggested a formal requirement to document and audit non-compliance with Queensland's *Animal Care and Protection Act 2011*, or have the AAV notify a state Biosecurity Inspector of welfare incidents.

Comments were also made about the adoption of a complementary mix of instruments to strengthen regulatory compliance and enable continuous improvement.

> Clearly there is a need for an effective regulatory framework governing live animal exports and animal welfare more generally. We submit however that the review should look for a portfolio of mutually supporting policy instruments, including consideration of voluntary certification of animal husbandry. Voluntary certification provides a base for recognition of performance beyond regulatory compliance. Hence it has the potential to strengthen behavioural change, not least because it enables market signals to work beyond that enabled through the binary (yes/no) regulatory mechanism. (Australian Land Management Group submission, p. 1)

3.4 The Review's considerations and findings

3.4.1 Overview

On-ground visits, information in submissions and discussions with key participants provided the Review with a broad picture of the operation of the regulatory framework.

Overall, the domestic elements of the export supply chain are working substantially better now than before the Keniry Review. Operational efficiency and risk management procedures are generally sound and appreciation of animal welfare issues has increased. Key endpoint (delivery) indicators – weight gains in transit, mortality rates and reportable incidents – have shown stable or improving trends. Exporters have generally been getting better at supplying livestock suited to the market – especially breeds, age, body condition and compliance with importing country requirements.

The Review identified some concerns that should be addressed.

3.4.2 Clarity of roles and responsibilities

There is a lack of clear, or clearly appreciated, roles and responsibilities under the regulatory framework, and in particular the welfare of livestock destined for, or in, the export supply chain. Symptomatically, the Review was told, variously, that the state or territory authority is responsible only for property of origin (principally disease) certification; that AQIS is responsible for overseeing ASEL at all stages; that since AQIS attends registered premises, other jurisdictional involvement would 'duplicate' official presence; and that there is a need to rationalise jurisdictional services and programs due to budget constraints. A common theme was unclear roles and responsibilities, especially for taking regulatory action on welfare.

The regulatory framework for livestock exports is complicated. It involves all three levels of government, but only Commonwealth legislation refers to ASEL at present. The Commonwealth does not have broad constitutional power with respect to animal welfare, but for livestock identified for export the Australian Government has drawn up ASEL and its welfare requirements. States and territories are responsible for regulating the welfare of all animals in their jurisdiction.

This causes confusion about responsibility for domestic health and welfare and the health and welfare of livestock destined for export. Although ASEL extends from farm sourcing to disembarkation, it is difficult for AQIS to regulate parties beyond those licensed or accredited under export legislation, i.e. export licence holders, registered premises operators and AAVs.

This situation presents challenges for industry and regulators and is not ideal, as was remarked in several submissions and during consultations. It is clear that changes made in response to the Keniry Review to introduce Australian Government licensing of exporters, AAVs and registered premises operators and the development of ASEL have been an important step forward, but challenges remain in implementation and enforcement.

The Review noted that the Department of Agriculture, Fisheries and Forestry (DAFF) has recently commenced a process to engage with state and territory welfare regulators, initially through the Primary Industries Standing Committee's (PISC's) Animal Welfare Committee, to clarify roles and responsibilities for regulation of animal welfare in the live export chain. This would improve effectiveness of the regulatory framework in achieving its objectives.

3.4.3 National animal welfare standards

Each state and territory's legislation is different, with varying emphasis on cruelty provisions and codes of practice for livestock production and transport. Such codes are generally written as guidelines, and are therefore difficult to enforce. The Review learned of few examples of state and territory welfare authorities conducting pro-active monitoring or audit of livestock enterprises for compliance with welfare legislation or codes of practice.

The road transport sector is a front runner in national animal welfare standards. Under a national process, new national Land Transport Standards, endorsed by the Primary Industries Ministerial Council in May 2009, are expected to be in jurisdictional legislation within 12 months. Drafting of standards for husbandry of cattle, sheep, goats and other production animals is in progress. However, while state and territory regulators have committed in principle to implement compliance programs to audit the new standards, it is anticipated that resource constraints will cause them to be underpinned by industry-based quality systems.

In practice, an AQIS officer's ability to take immediate action on breaches of state or territory welfare legislation appears to be limited to negotiating with a responsible person (exporter, premises operator, AAV, stockperson) and/or notifying a local regulatory authority, such as a state regulator or the RSPCA. However, given incidents may occur at remote locations and at any time, local regulatory authorities may not be available to attend.

Examples of effective interaction with AQIS on welfare compliance were outlined, mostly by Queensland and Western Australian government agencies. The Review noted a special arrangement in Queensland, where a Department of Employment, Economic Development and Innovation Senior–Biosecurity Inspector (Livestock Exports)

in Townsville has delegated authority from AQIS for some functions.

The Review suggests that regular liaison be established between state and territory regulators and AQIS. This liaison could occur through participation by AQIS in the agenda of the Animal Welfare Committee, as well as establishment of regular forums between state/territory welfare officers and regional AQIS staff.

At a time when there has been mounting public pressure for the Australian Government to take action to ensure animal welfare overseas, it is reasonable to expect nationally consistent and enforceable Australian standards for livestock welfare. This process has been started for land transport and this is a good step forward.

3.4.4 Compliance with ASEL

The Review observed, on a number of occasions, a small proportion of livestock moving through the supply chain that did not conform to ASEL requirements. Some of these animals were at a risk of adverse welfare outcomes.

This indicated shortcomings in selection and/or acceptance at ASEL monitoring points – leaving the vendor's property, loading onto road transport, receival at registered premises and loading for export. It also indicated shortcomings in the enforcement of ASEL.

Responsibility for compliance with specific aspects of ASEL shifts at each stage of the supply chain. For example, the primary producer/vendor is responsible for selecting only fit stock for sale; the transporter is responsible for loading only fit stock; the registered premises operator is responsible for receiving only fit stock.

That some non-compliant stock are leaving properties indicates some producers/vendors either do not understand their responsibilities under ASEL or are choosing to ignore them. Likewise, some exporters or exporter agents are accepting non-compliant livestock from vendors.

The Review spoke to some operators of registered premises who said they refuse to accept non-compliant livestock, returning them to the vendor at the vendor's cost. In other cases, non-compliant stock were being accepted. Further along the supply chain, the AAV is required to inspect each animal at the registered premises and reject non-compliant animals.

Based on the Review's observations there need to be improvements in this area. The Review acknowledges that the trade deals with large numbers, sometimes in remote locations, which presents challenges for monitoring and enforcement of compliance with the suitability and sourcing provisions of ASEL. The responsibility ultimately lies with exporters for ensuring that only fit and healthy livestock, meeting the requirements of ASEL, are presented for export. The fact that a small number of unsuitable animals are still being presented for export suggests that vendors, agents, exporters and AAVs could do better.

Finding

The domestic elements of the export supply chain are working substantially better now than before the Keniry Review. A number of concerns persist, including the lack of nationally consistent and enforceable standards for animal welfare and, at an operational level, some failure to comply with ASEL requirements.

Finding

Greater clarity about, and shared understandings on, responsibilities and regulatory powers in the respective jurisdictions would assist the Australian Government and the states and territories to identify and address gaps and areas of discontinuity. This is necessary to ensure more effective government dealings with animal welfare matters throughout the livestock export supply chain.

Recommendation

The Review recommends that the Australian Government expedite work with the states and territories to more clearly articulate respective roles and responsibilities for regulating the livestock export supply chain.

Recommendation

The Review recommends that the Australian Government urge the states and territories to develop and implement, as a priority, enforceable standards of welfare to replace Codes of Practice, incorporate the standards into legislation and prepare and implement compliance programs to monitor and enforce the regulations in the domestic phase of the livestock export trade.

Cattle, sheep and goat welfare standards should be produced as a priority for incorporation into state and territory legislation.

3.4.5 Industry through-chain quality controls

The Australian Position Statement on the Export of Livestock (Section 3.1 'Operating environment') suggests that, 'The health and welfare of livestock in the live export chain should be protected by industry QA programs from place of origin to destination...'.

The Position Statement also suggests a whole-of-chain risk-based approach be adopted.

The Review noted that exporter operations and governance manuals, which outline how the operations of the business will comply with ASEL, are approved by AQIS as part of licence conditions.

However, although some sectors (and some operators) participate in internal sector-level quality systems such as TruckCare and Livestock Production Assurance, there is no binding arrangement between sectors to meet specific quality objectives or specifications.

A number of respondents including the Australian Livestock Exporters' Council, WA Beef Council, Australian Livestock and Rural Transporters Association, state governments and individual exporters, proposed and/or supported the concept of an independently audited, through-chain quality system incorporating formal contracts involving exporters, producers, agents, registered premises operators and transporters (including shipping companies where relevant). The exporters would assume responsibility, with contract specifications including livestock type and quality specifications as well as compliance with enterprise-level QA programs and welfare standards at each stage in the export chain.

Such a system, it was proposed, would:

- establish clear lines of accountability and benchmarks in the domestic part of the chain
- establish a feedback mechanism in the domestic chain to support improvements and performance
- specify what should/must be recorded, to whom it should be reported and what must be done with the reports
- enable demonstration of compliance with animal welfare standards at all stages and enable audit of outcomes, not inputs or paperwork only.

After a successful establishment period such a quality system could, in the view of a number of submissions, largely replace the current prescriptive regimen. AQIS would then be responsible to audit the quality system itself – that is, AQIS would retain an 'audit the auditor' function.

While the Review sees potential in development of through-chain QA, it does not consider the time is right to reduce government regulation. If industry were to introduce such a system and demonstrable animal welfare assurance improvements resulted, there might be scope in the future to examine options for reducing government regulation.

Recommendation

The Review recommends that in line with ASEL, industry develop and implement a through-chain QA system to complement government regulatory compliance programs.

3.4.6 Livestock welfare issues

The live cattle export industry, particularly in northern Australia, has demonstrated substantial improvements in performance. Breeding, selection, transport, feedlot operations and shipboard management have all moved significantly forward, resulting in better quality livestock and higher standards of welfare delivered at each stage in the domestic chain, with mortalities averaging 0.04 per cent since 2008.

In particular, introduction of electronic individual identification (most under the NLIS) has enhanced traceability and therefore provided confidence about selection, disease testing, analysis of performance and line-of-sight to the point of slaughter.

The implementation in 2010 by Indonesia of a weight limit of 350 kg (landed) has substantially reduced welfare problems associated with overweight, mature and horned cattle.

The Review noted some welfare issues with cattle, including heat stress, shipboard respiratory disease and last-minute rejection of overweight cattle.

Several aspects of the live sheep export industry have shown substantial improvement since the Keniry Review. In particular, progress has been made in transport, feeding strategies, feedlot infrastructure and shipping conditions.

Despite very substantial increases in the price of sheep during the last five years, problems associated with supply, selection, detection and removal of high-risk animals, transport from southern ports and lack of traceability continue to affect the live export trade.

The mortality rate for sheep has not declined significantly since the introduction of ASEL at the end of 2004, suggesting that causes of ongoing mortality are not adequately addressed in ASEL, not managed adequately by exporters, not effectively monitored and addressed in regulatory programs or not currently preventable.

Shipboard mortality investigations have indicated that at least two veterinary inspections of sheep in southern Australian feedlots from May to October may assist determining if disease, body condition or feeding problems are declining or escalating before loading. This regime is being trialled by AQIS for current shipments from Portland.

The Review noted that AQIS is considering amending the AEP conditions to include a requirement for two full inspections by the AAV at southern pre-export feedlots during the winter months.

About 80,000 goats are exported live per year. Since 2007, when AQIS imposed tight restrictions on sea transport of goats, almost all exports have been by air. The majority (more than 80 per cent) go to Malaysia and the industry is growing steadily. The number of operators is small and the principal exporters operate under industry QA.

The Review found that the goat export industry generally maintains satisfactory standards of welfare in the domestic export chain, with recent consignments showing few losses during transport by road and virtually none during air transit.

Road transport

Road transport is a key link in the domestic chain. Companies examined in the Review transport the vast majority of export livestock in northern and Western Australia. A common feature of those companies is membership of TruckCare, an independently audited quality system operated by the Australian Livestock Transporters Association, with emphasis on livestock welfare and driver training elements. Spelling and curfew times are observed, in the bigger companies under observation by real-time satellite tracking systems.

The Review also found evidence of a generally high level of awareness of welfare codes and standards in producer groups and agent/buyers as well as road transport operators. The MLA-sponsored booklet, *Is it fit to load*? is widely distributed in the industry.

Respondents in more remote areas suggested that more investment is necessary in roadside facilities (including provision of water at stockyards), to allow for compliance with Road Transport Authority rest periods as well as animal spelling and curfew requirements.

Transport of livestock by road has been closely reviewed by industry and regulators since the Keniry Review, with the development of new national road transport welfare standards and introduction of industry QA, widely adopted by the larger companies. As a result, despite long distances and journey times, stock generally arrive in good condition.

The Review also noted the welfare risks associated with transport rollovers and accidents and formed the view that industry should consider the merits of having a captive bolt in each truck as standard equipment (with appropriate driver training) for humane destruction of injured livestock, in cases where a licensed firearm and operator are not available.

Finding

Despite the general improvement in animal handling and transport and better understanding of welfare issues, there are some residual problems including on-farm preparation of both sheep and cattle and loading of higher-risk livestock for transport to feedlots. There is evidence of numbers of out-of-specifications sheep being delivered to Fremantle wharf for loading onto ships. This is the result of special inspection arrangements applying at Fremantle, in which the final individual inspection by the pre-export AAV is conducted at the wharf. This departs from ASEL requirements and adds significant pressure to the loading process.

There was not time for the Review to reach a concluded view on the question whether the Fremantle arrangement should be terminated. The arrangement needs to be reviewed thoroughly within AQIS to ensure only livestock that are fit for export are presented at the wharf.

Recommendation

The Review recommends that the current inspection regime prior to export from Fremantle be reviewed, to ensure that thorough individual animal inspection by the AAV is conducted.

3.4.7 AQIS operations

The Review was impressed by the high level of professionalism it encountered on the part of AQIS staff, both in the field and at headquarters in Canberra. AQIS has well-documented work instructions and procedures that support national consistency. The Review, as might be expected, encountered different perspectives from AQIS and industry about AQIS's operations.

As a regulator which recovers its costs from the industry it regulates, it is not surprising that AQIS is the subject of some negative views from industry. As a regulator which attaches importance to doing its job well, it is also not surprising that AQIS has some views about ways in which industry falls short in terms of timeliness or compliance with requirements.

From the point of view of some in industry, centralised AQIS decision-making causes problems and delays. There is widespread satisfaction with regional AQIS veterinarians and a belief that more delegation to them would save time and costs and improve welfare outcomes. There are also industry views about overly rigid determinations, lack of timely response and failure to communicate changed requirements.

By contrast, Canberra-based AQIS officers identified issues with exporters providing incorrect, late documentation and last-minute requests for significant changes to export plans, with unreasonable pressure on decision-makers. There was also enduring concern to keep clear separation between the regulatory and facilitative functions of AQIS.

The Review sounded out views on arrangements for AQIS-industry consultation on operational and policy matters. Several respondents and submissions maintained that high-level review and communication processes are not optimal.

The Review concluded that a regular forum for consultation and information exchange between exporters and AQIS on operational issues would be desirable. At present the main mechanism for high-level industry–government liaison is the Livestock Export Industry Consultative Committee (LEICC) which is specifically concerned with AQIS operations and has a limited policy role. During the last two years an operations review process called the Export Certification Reform Project (ECRP) has been undertaken – this has largely overlapped the LEICC function and resulted in reduced LEICC activity.

The Review received an opinion from AQIS that there were differing perceptions on the part of AQIS and industry about the role of LEICC; and that it would be desirable to develop clear terms of reference for LEICC, including reference to involvement by DAFF as a whole rather than AQIS alone. This suggestion merits consideration in DAFF.

3.4.8 AQIS regional operations

As was to be expected in a highly dispersed organisation like AQIS, the Review encountered a range of different perspectives between AQIS headquarters and regional staff.

Senior AQIS staff in regional centres commented that support from Canberra to field livestock export program veterinarians (including decision making) has improved significantly in the last few years, with more stability in the senior staff structure and changes in regional staffing structure helping to make the workload more manageable.

They commented that training of Livestock Export Program (LEP) veterinarians is conducted regionally but not consistently, because there is no nationally consistent training module. AQIS has a competency-based national assessment program for AQIS meatworks veterinarians which could be emulated for LEP veterinarians.

The Review heard accounts of AQIS LEP field veterinarians regularly dealing with sequential and overlapping consignments, working long hours and travelling long distances (often on poor roads) to meet commitments at registered premises and ship-loadings. There were accounts of AQIS LEP officers being unable to exercise commonsense discretion or make an on-the-spot decision because of rigid work instructions. Others had sought and were able to get timely instruction and clearance from supervisors.

On balance, the current arrangements appear to work well but they depend very heavily on the professionalism and high level of commitment shown by AQIS field staff. Their work would be facilitated by further mentoring and induction into their roles, by being better equipped, particularly with communications and information technologies, and by encouraging regular feedback to highlight any operational, compliance or other issues and their solutions.

The Review also heard from senior AQIS officers that regional staff sometimes have difficulty separating their role as facilitators of exports from their responsibility as regulators. Where, for pragmatic reasons, AQIS LEP staff work closely with AAVs for example, there is a risk that the AQIS officer, having helped in some aspects of livestock preparation, such as identifying non-compliant animals, is potentially compromised through such direct involvement, instead of exercising a separate, objective regulatory check. Clearly the exporter should provide adequate staff to undertake timely preparations so that AQIS staff are not coopted to assist.

3.4.9 AQIS enforcement activities

At present, ASEL requirements up to the departure from the registered premises are in practice predominantly overseen by industry. This means that official scrutiny is applied

only at a late stage of preparation for export. This increases the pressure on AQIS to clear livestock, typically in a very tight timeframe, immediately before scheduled vessel loading. As a result, AQIS is placed under significant pressure to issue a health certificate and export permit at short notice.

There appear to be limited examples of AQIS having used the range of compliance measures and sanctions available to prosecute breaches of ASEL. Penalties so far imposed by AQIS on exporters essentially comprise additional conditions imposed on future consignments, aimed at eliminating the specific causes of the previous breach.

Commonwealth legislation for the export of livestock consists of two key Acts and multiple pieces of subordinate legislation. ASEL is referenced in the *Australian Meat and Livestock Industry (Export Licensing) Regulations 1998* and the *Export Control (Animals) Order 2004*. There is complex interaction between these pieces of legislation which seemingly creates uncertainty in the application of regulation and sanctions, in particular with regard to ASEL.

There is scope for AQIS to review how it might better use legislative provisions, or to consider what legislative amendments are required, to address non-compliance with the current regulatory requirements including ASEL. Such a review should examine how AQIS has in practice followed up reports (from LEP veterinarians, AAVs or other sources) that suggest non-compliance; and come to a view on means of using the AQIS regulatory function consistent with the Australian Government's animal welfare expectations.

In Chapter 7, the Review recommends that DAFF/AQIS examine resourcing and other requirements necessary for the efficient discharge of additional responsibilities in relation to the overseas elements in the supply chain. It would seem sensible to review also issues identified during the Review's consultations on AQIS auditing and regulation of the domestic elements of the supply chain, including the legislative framework and AQIS's compliance and sanctions policy.

3.4.10 Operations of AQIS-accredited veterinarians

Most AAVs operate concurrent veterinary practices. A small number are employed full-time by exporters; others are contracted to exporters part-time but rely heavily on the live export trade for their ongoing income. All are selected and paid by exporters.

The shipboard AAV is often contracted to perform additional tasks for the exporter during the voyage – exporters are paying AAVs for a professional service that goes beyond welfare monitoring and disease prevention. There is considerable benefit to animal health and welfare as well as to the business if a close professional onboard relationship can be built between master, first officer, engineer, senior stockperson and veterinarian to achieve optimum welfare outcomes.

Allegations of conflict of interest

Some submissions to the Review spoke of a perceived conflict of interest on the part of AAVs. Similar issues can affect accredited stockpersons, who are also selected and employed by exporters.

Shipboard AAVs deliver daily reports and their end-of-voyage reports through the exporter to AQIS. Concerns have been expressed that AAVs have misreported health or welfare-related incidents and mortalities during voyages or that AAVs are subject to pressure from an exporter to omit information from reports or document observations in a way favourable to the exporter, under threat of loss of contract. Submissions were received from three former AAVs who stated that exporters had attempted to influence their voyage reports, and that following unfavourable reports, their employment had been reduced or terminated. There have also been accounts from AQIS veterinarians of short-cuts in animal treatments and vaccinations during pre-export preparation.

Under Section 9H of the Export Control Act, it is an offence for an AAV to fail to remedy deficiency in undertaking an AEP. Under Section 9K it is a strict liability offence to obstruct or hinder an AAV undertaking an AEP.

AQIS regional LEP veterinarians told the Review they considered the great majority of AAVs are professional and provide an excellent service. However, they observed sub-standard work by some AAVs. Examples included needing to supervise an AAV's work, late or incomplete paperwork and instances of false certification of stock treatment. AQIS LEP veterinarians said they were unable to pursue these cases because hard evidence was lacking or because of time constraints.

One former AAV claimed the exporter had changed the mortality figure in his report. This claim was confirmed by the AQIS Compliance and Investigation Program and subsequently by the exporter. This is the only confirmed example of substantial pressure on AAV reporting.

Following investigation of a series of incidents and allegations, AQIS Compliance and Investigation concluded that AAVs generally operate in a professional and effective manner but strategies were needed to negate perceptions of conflict of interest.

The Review sought views on, and considered, potential alternatives to the current system, including replacing AAVs with AQIS-employed or AQIS-contracted veterinarians. There are downsides to such options, for both AQIS and exporters, including issues around costs, flexibility, and usefulness to exporters (who would still pay). The Review did not conclude that such a change was necessary in order to address what appears to be, in the main, a problem of perception.

The Review considered a proportionate response would be a requirement that AAVs report directly to AQIS, with a simultaneous report to the exporter. In addition, as part of formal AAV accreditation, AQIS could include conditions specifying that the AAV would discharge his/her duties in accordance with the Australian Public Service Code of Conduct and would do so *without fear or favour*.

Exporters generally had few concerns about the idea, advanced by the Review, that reports by AAVs or stockpersons should be sent direct to AQIS, with simultaneous transmission to the exporter. There were reservations about commercially sensitive information being made public through Freedom of Information requests. The end-of-voyage report to AQIS could be restricted to, as far as practicable, comments relevant to the health and welfare of the livestock on board, thereby avoiding commercially sensitive reporting.

The Review considered an additional matter, relating to auditing of AAV performance. Under current arrangements, AAVs are desk-audited annually. The Review considers that additional random, targeted on-site audits, by experienced AQIS officers, auditors, should be considered if there is concern about non-conformance with ASEL or the AEP, including inadequate reporting. Consideration could also be given to auditing during part or all of a voyage.

Training

AAVs are trained through the Accreditation Program for Australian Veterinarians Program conducted by Animal Health Australia. There is a case for a formal induction process, run by AQIS, to familiarise AAVs with the regulatory system and the principal central agency contact personnel and a further module at a regional AQIS office and port(s) to ensure knowledge of local facilities, regulatory procedures and personnel.

In relation to stockpersons, there would also be value in industry developing and implementing training in reporting procedures and basic post-mortem techniques, and enhanced mentoring programs.

Recommendation

The Review recommends that the existing system of exporters contracting AAVs and stockpersons be supplemented by the following provisions:

- enhanced auditing processes including targeted on-site (including shipboard) audit
- daily and end-of-voyage reports to be forwarded to AQIS and the exporter simultaneously
- enhanced training and induction processes for AAVs
- consideration by industry of enhanced training and mentoring programs for stockpersons.

4 Australian Standards for the Export of Livestock

4.1 Introduction

This Chapter addresses the Review's Term of Reference (b):

- the adequacy of the Australian Standards for the Export of Livestock (ASEL) as they apply to the preparation and export of all livestock with consideration of responsibilities for compliance and enforcement of the ASEL.

ASEL set the basic standards for the conduct of the livestock export trade in Australia and transport of livestock from Australia. They cover the sourcing and on-farm preparation of livestock, land transport for export, management in registered premises, vessel preparation and loading, and onboard management (for ships and aircraft).

The Standards are relevant from the farm to the point of disembarkation overseas and cover six steps along the export chain, each with its own expectation of outcome:

- **Standard 1. Sourcing and on-farm preparation of livestock**: the sourcing of appropriately prepared livestock that are fit to travel is critical to successful health and welfare outcomes during export.
- **Standard 2. Land transport of livestock for export**: land transport is to be planned and undertaken on a competently operated and suitable vehicle, with the livestock being handled in a manner that prevents injury and minimises stress throughout the journey.
- **Standard 3. Management of livestock in registered premises**: livestock are to be assembled at registered premises, where the husbandry and management practices should ensure that the livestock are adequately prepared for the export voyage.
- **Standard 4. Vessel preparation and loading**: the sea voyage is to be planned and undertaken on an appropriately provisioned vessel certified for the carriage of livestock, and the livestock loaded in a manner that prevents injury and minimises stress.
- **Standard 5. Onboard management of livestock**: the onboard facilities, management and husbandry must be adequate to maintain the health and welfare of livestock throughout the sea voyage.
- **Standard 6. Air transport of livestock**: the animals are to be prepared according to required protocols, are fit to travel, and the journey is to be planned and undertaken in a manner that meets the importing country requirements for the air transport of livestock.

The Review has not undertaken a comprehensive review of ASEL. Under its terms of reference, the Review considered the overall adequacy of ASEL for the preparation and

export of livestock and specific aspects of ASEL where relevant to issues identified by the Review.

4.2 Current arrangements

This section refers to legislation and other arrangements. It is a statement of the intent of current arrangements. An assessment of their effectiveness is contained in following sections.

4.2.1 ASEL within the broader regulatory framework

ASEL are given effect under the *Australian Meat and Live-stock Industry (Standards) Order 2005* (the Standards Order). The Department of Agriculture, Fisheries and Forestry (DAFF) holds the delegation to make orders under section 17 of the *Australian Meat and Live-stock Industry Act 1997* (the AMLI Act).

The Standards Order requires holders of livestock export licences to export livestock in accordance with ASEL Version 2.3, April 2011. The Standards Order incorporates ASEL by reference.

ASEL set the basic standards for the conduct of the livestock export trade, with specific reference to state and territory welfare legislation. Exporters must demonstrate that they can comply with the standards to be permitted by the Australian Quarantine and Inspection Service (AQIS) to export livestock. ASEL are also referenced in the *Export Control (Animals) Order 2004*.

4.2.2 Continuous development of ASEL

In April 2004 the then Primary Industries Ministerial Council (PIMC) endorsed the initial version of ASEL, noting that the Standards would be further developed and regularly reviewed in the light of further research findings and experience. In April 2005, PIMC noted that the states and territories continue to have prime responsibility for animal welfare within their respective jurisdictions and may need to consider further investment in animal welfare activities as part of the Australian Animal Welfare Strategy implementation.

The Australian Government has agreed to lead a process to review ASEL from time to time to ensure they reflect the Model Codes of Practice and Australian Standards and Guidelines for the Welfare of Animals, latest knowledge in risk management, technical developments, scientific research findings and improved management systems that relate to the health and welfare of livestock in the export industry.

The Livestock Export Standards Advisory Group (LESAG) provides advice to DAFF on the revision, further development and implementation of ASEL. Its present membership includes experts and practitioners from:

- Animal Welfare Unit, DAFF
- Livestock Industries and Animal Welfare Branch, DAFF

- Live Animal Exports, DAFF
- Department of Agriculture and Food, Western Australia
- RSPCA Australia
- Australian Livestock Exporters' Council
- Australian Maritime Safety Authority
- Centre for Animal Welfare and Ethics, The University of Queensland
- LiveCorp
- Cattle Council of Australia
- Sheepmeat Council of Australia.

Version 1 of ASEL was endorsed in July 2005, Version 2 in September 2006, and Versions 2.1, 2.2 and 2.3 in December 2006, December 2008 and April 2011, respectively.

Most of the changes in Version 2.3 were minor. The major trade-related change in Version 2.3 was provisions allowing the use of portable livestock units for exporting livestock. These provisions were included at the request of industry.

LESAG proposed that there be a more substantial revision of the Standards in 2011.

4.2.3 Monitoring and enforcement of ASEL

The exporter must be able to demonstrate that the preparation and loading of livestock comply with ASEL and any requirements of state, territory and local governments.

ASEL prescribe for sea journeys that:

- for a notifiable incident, such as excessive mortalities, AQIS must be advised as soon as possible and within 12 hours
- for journeys greater than 10 days an AQIS-accredited veterinarian (AAV), if present, must provide daily reports on the health and welfare of the livestock to AQIS
- for all journeys, within five days of last livestock discharge an AAV, if on board, or an accredited stockperson, must provide to AQIS an end-of-voyage report on the health and welfare of the livestock.

Data reported must be accurate and reliable and include the health, welfare and mortalities of livestock during the voyage, conditions on board, epidemiological data and other information.

ASEL prescribes for air journeys that a general overview report be provided, with mention of any specific issues relevant to the health and welfare of the livestock.

AQIS may have regard to the outcome of a previous journey or journeys in considering a Notice of Intention to export application and Consignment Risk Management Plan

(CRMP), and may apply conditions for an intended export through an Approved Export Program (AEP).

AQIS undertakes an investigation if the reported number of mortalities in a consignment of livestock is equal to, or higher than, the reportable level in ASEL. Mortality investigations are undertaken by AQIS in accordance with detailed work instructions. There is no legislative requirement for AQIS to undertake such investigations.

As part of its investigation, AQIS reviews reports from the: licensed exporter; operator of the registered premises or approved premises where the livestock were prepared; AAV who assisted with the preparation of the livestock and completed the AEP; AQIS certifying veterinarian; and shipboard AAV's or accredited stockperson's daily and end-of-voyage reports.

AQIS also considers other information such as weather conditions and importing country veterinary service reports, and may schedule an audit of the exporter or registered premises.

AQIS gives all parties with a direct interest in the mortality incident the opportunity to comment on the draft report before it is finalised and published on the AQIS web site. Reports are placed on the website in a standardised format and all opinions of individuals are removed to ensure reports contain only factual information. Commercial information is also removed.

Following agreement with industry, AQIS has been placing completed mortality investigation reports on the website progressively since October 2007. Before then, a summary of the report was published on the website.

Generally, AQIS places additional conditions on an exporter's subsequent consignments following a reportable mortality event in order to improve the animal welfare outcome. The investigation reports include the actions taken following each incident and outcomes of subsequent voyages with additional conditions.

4.3 Current debate and issues raised in submissions to the Review

4.3.1 Overview of comments received

Public submissions were polarised into two generalised positions: that the Standards are adequate, more than adequate, or world's best practice – the position generally held by industry stakeholders; or that they are inadequate or unenforceable, are unenforced, or are not being met in some way – the position generally held by animal welfare advocates.

Position that ASEL are inadequate

Submissions, particularly by respondents from animal welfare organisations, raised

criticisms of ASEL, including that:

- ASEL lack jurisdiction outside Australia
- standards are unenforceable under current legislation
- ASEL require actions that are not measurable or easily enforced
- there is a lack of transparency, monitoring, enforcement, reporting and feedback in the export process
- there is no process for public feedback on animal welfare
- ASEL do not make responsibilities clear
- there are unacceptable welfare standards
- the heat stress model is inadequate
- there are inappropriate mortality and welfare measures on board ship
- export permits are issued and export licences renewed despite non-compliance with ASEL
- standards and codes are voluntary
- there are problems with self-reporting and self-regulation.

Other than overarching comments about ASEL, and comments from some animal welfare advocates that livestock exportation is inherently cruel, there was little comment about sourcing and on-farm preparation of livestock, land transport of livestock for export, and management of livestock in registered premises. However, RSPCA Australia expressed concern about the cumulative effects of repeated handling, loading and transporting livestock in Australia, especially over long distances.

> A key aspect of the live export trade is the repeated handling of animals as well as loading, transport and unloading into unfamiliar environments. This is widely acknowledged to be stressful to animals and should be avoided or minimised. Overt cruelty to animals while they are in Australia can be dealt with to some extent by State/Territory animal welfare legislation. However, the current lack of enforceability of the ASEL ... means that breaches are often not adequately addressed. Once animals are on board the ship, the cumulative nature of transport stress becomes apparent. (RSPCA Australia submission, p. 6)

Few submissions commented specifically about loading livestock onto ships. Submissions from animal welfare organisations presented examples of breaches of ASEL, including photographs and references to videos. Many submissions from individual animal welfare advocates commented about inhumane conditions for livestock on large transport ships, maintaining that ASEL are inadequate.

Submissions from the major animal welfare organisations provided information about incidents on board livestock ships over the last two decades. Animals Australia and Animals' Angels provided considerable documentation in attachments to their submissions.

Many respondents remarked that ASEL do not extend beyond Australia's shores and Australian livestock do not have protection once they leave Australia.

Industry stakeholders commented that no country has jurisdiction over another and that livestock export provides Australia with the opportunity to influence better animal welfare in importing countries.

> … the Australian producer does not have the right, or the capacity to extend influence into other countries without an export presence. Australians cannot mandate conditions in destination markets as sovereign states adhere to their own legislation. It is therefore imperative that Australia maintains a presence in overseas markets in order to improve animal welfare internationally. (Western Australian Farmers Federation submission, p. 3)

Some submissions noted that while ASEL can be enforced through export licensing conditions by AQIS, in practice enforcement is rare.

> The lack of enforcement of the ASEL is generally due to a lack of inspectors monitoring compliance with the ASEL and reluctance by AQIS to enforce the ASEL. On the ground, it is animal protection organisations, such as Animals Angels, who regularly monitor transport of livestock within Australia. There have been numerous instances where breaches of the ASEL have occurred and reports of those breaches have been provided to AQIS. Sadly, the majority of those reports have been ignored. (Voiceless submission, p. 2)

Position that ASEL are adequate

Representatives of both agribusinesses and peak industry bodies stated that ASEL are adequate up to the point of delivery to the importing country. Their view was that ASEL provide comprehensive and detailed standards on the sourcing, preparation, management and transportation of livestock through the supply chain, while also providing guidance for those with responsibility for animal welfare within the livestock chain.

> In the absence of internationally agreed requirements, Australia has developed and unilaterally adopted the world's best livestock export standards in terms of coverage (of species and phases of transportation) and capacity to deliver acceptable outcomes. … In 2006, Alliance Resource Economics completed a study of World Livestock Export Standards which concluded that there are no formal systems in place in other countries that would add significantly to the effectiveness of the Australian livestock export standards. (Australian Livestock Exporters' Council submission, pp. 8–9)

In defending both the high quality of ASEL and their application within Australia, industry stakeholders stated that individual properties are highly geared to meet the husbandry needs of livestock; that producers are trained in animal handling and care; that trucks meet the requisite standards; and that holding yards are efficient and well managed, with stock shaded, watered and fed in comfort. As described by a producer in Queensland:

> All stages of cattle operations are operated under the Best management Practices for that section. We have stock handling schools, cattle care workshops and are audited every few years to make sure we are abiding by the regulations involved with handling, standard of cattle working yards, compliance with the handling of vet chemicals and injections and the withholding periods of medicines and antibiotics under the Australian Standards for the Export of Livestock (ASEL). (Hugh Gloster submission, p. 1)

Yarding before shipping and loading of livestock onto ships were addressed in a few submissions from industry, with respondents stating that ASEL standards are good, or very good. The shipping of livestock overseas was typically described by industry as having improved considerably over the last decade and being now of a high standard. Livestock producers expressed a view that it is in their best interests to have stock in excellent condition before they travel and during transport.

> It is not well understood by the general public that most if not all contracts are based on the transfer of ownership at the port/ place of delivery and buyers are not prepared to accept animals in less than top condition. An animal that does not meet this is a loss to the exporter and therefore not a commercial proposition. (Lynne Johnston submission, p. 1)

Industry submissions commented that modern ships are now state-of-the-art and that, as an indication of the state of shipping conditions, livestock usually put on weight during the voyage and arrive at their destination in better condition than they left. A decline in mortality rates over the last decade was provided as evidence of the high standard of sea transport in some submissions.

> The improvement in welfare issues on board vessels taking Australian animals overseas took time, patience and extension activities of great cost. The significant drop in mortalities is a tangible and clear result. (David Dennis Scanlon submission, p. 2)

Ways to improve ASEL

Several submissions noted the need for ASEL to continue to evolve and adapt, and the opportunity for further improvement of ASEL in terms of content, implementation and enforcement. One submission suggested a major review of ASEL to reflect scientific evidence and public opinion. RSPCA Australia noted that LESAG was scheduled to carry out a review of ASEL Version 2.3 and recommended the review proceed.

There was some questioning by industry of representation by animal welfare advocates on LESAG, suggesting this was why ASEL had not delivered better outcomes, and that this needed to be addressed. For example:

> The LESAG has met infrequently since its inception and there is concern that membership of the LESAG includes representation from one or more parties that are philosophically opposed to livestock exports. It is difficult to see how the LESAG can function effectively when there is such a fundamental conflict of interest. (The Australian Livestock Exporters' Council submission, p. 10)

Several submissions recommended that Australia make efforts to extend ASEL to importing countries, for example by introducing policies for cattle handling, husbandry and welfare in feedlots, and for enforcing strict protocols within abattoirs, with closed supply chains and clearer responsibilities between sectors, and promoting compliance.

The Australian Veterinary Association recommended that ASEL be extended to include importing countries:

> The recent vision portraying inhumane slaughter practices of animals in some slaughterhouses has highlighted the need to extend the influence of Australian standards to immediately post-slaughter. An additional standard outlining the management of livestock from point of disembarkation to the point of slaughter ensuring humane slaughter is required. These standards must provide detail as to the handling of livestock in any registered premises, in lairage and in the knocking box or restraint crush, up until the point of confirmed death. These standards must include animal based measurements, provision of adequate facilities, identification of persons responsible and all associated documentation. With industry cooperation, the AVA believes that by including a requirement into the Consignment Risk Management Plan (CRMP), the Australian Government can mandate a closed loop system that could be implemented and independently audited to ensure exporter compliance. Further granting of Approved Export Programs should become dependent on demonstrating there is no 'leakage' of animals from the closed loop system and electronically tracing animals from preparation of animals on farm in Australia to immediate post slaughter in the importing countries. Animals exported for breeding purposes would transfer to the importer's legal responsibility, but there must be signed commitments that this transfer would not be a mechanism to divert animals to unaudited slaughterhouses. (Australian Veterinary Association submission, p. 7)

4.4 The Review's considerations and findings

4.4.1 Overview

The Review found that in general, export industry participants and regulators are satisfied with ASEL as a basis for orderly management and regulation of the industry. The submissions and Review discussions indicate that there is some confusion about the role of ASEL in the regulatory framework. The Review discusses the complexity of the regulatory framework including the application of ASEL in Chapter 3.

Issues of coverage (scope), clarity and accountability, flexibility, sanctions and review procedures, raised by respondents including AQIS, are worthy of closer examination.

It is clear, for reasons outlined below, that a full review of ASEL remains a priority. Standards need to be clear, essential (causally related with mortality or otherwise scientifically based), consistent and verifiable. Ongoing feedback and review processes need to be clarified and strengthened and roles and responsibilities of bodies engaged in monitoring and enforcement of ASEL and related welfare standards need to be clarified and formalised. In addition, accountability for shipboard welfare needs to be better defined.

4.4.2 The scope of ASEL

At present, ASEL includes the live export supply chain from the property of origin to the point of disembarkation overseas. The Review considered the feasibility of extending ASEL to the supply chain after disembarkation into feedlots and slaughter. The primary difficulty is that the Australian Government cannot exert legal jurisdiction in a foreign country, and specifically cannot regulate on matters of overseas compliance and enforcement. In addition, it became clear to the Review in its overseas consultations that foreign governments would have sovereignty and other concerns with a move by Australia which purported to extend Australian jurisdiction overseas.

An alternative to extending ASEL is a quality assurance (QA) and audit program, as recently implemented in Indonesia, through which the exporter would be required, under its export licence, to implement auditable welfare standards and report compliance.

The Review heard a range of comments about the scope of ASEL:

- There is no power to act on state or territory welfare regulations.
- CRMP requirements are limited to the exporter and do not extend the duty of care through all high-risk points on the chain.
- More emphasis is needed on mandating outcomes rather than inputs.
- New provisions are needed to introduce closer audit and measurable key performance indicators.
- ASEL should specify minimum numbers of stockpersons to accompany shipments.
- To improve animal preparation, ASEL need more specific breed, species and origin guidelines.

The Review's observations were that several aspects of the scope of ASEL require review to enhance coverage and provide for interaction with industry QA programs.

4.4.3 Clarity and accountability

The Review heard comments that in some sections of ASEL the wording is unclear; that interpretation of some clauses is difficult and may lead to inconsistent advice and that some standards are poorly defined and difficult or impossible to enforce. For example the term 'pastoral' is not defined.

Many ASEL standards are written in passive voice, leaving accountability in doubt. While responsibilities of individuals and groups are broadly outlined in the Preliminary Division of each Standard, there is considered by some to be a lack of clarity. For example, in Standard 5 'Onboard management of livestock', where the only statements of responsibility refer to the master of the vessel (who is responsible for 'satisfactory livestock services' with emphasis on ventilation, food, water, drainage and lighting) and the AAV, who is responsible for monitoring and reporting of 'consignment conditions'. There is no statement of accountability for welfare standards and currently the exporter has no direct control of (or responsibility for) the welfare of stock on board.

There also seems to be no clear rationale about what requirements should be included in ASEL and/or export legislation. For example, although ASEL Standard 5.1 (b) states, 'An accredited veterinarian must accompany each consignment of livestock where required by the relevant Australian Government agency...', and ASEL makes frequent references to requirements when an AAV is required to accompany a consignment, ASEL do not specify the criteria for determining if an AAV is required. However these are outlined in export legislation and also published in Export Advisory Notice 2007-02 informing the industry of the requirements for an AAV to accompany consignments of livestock exported by sea.

4.4.4 Flexibility

In some sections, but not others, there is currently scope for AQIS to vary a standard, but in unspecified circumstances. The Review received some feedback that ASEL was thought too prescriptive, not allowing decision makers flexibility to assess situations and implement measures for better animal welfare.

Lack of discretion is seen as a problem by some regional AQIS veterinarians – for example S1.9 requires pregnancy declaration of feeder cattle within 30 days of departure. The Review was told of a case in which departure of a ship was delayed by some days and went over the 30-day limit for pregnancy diagnosis. A strict interpretation of ASEL would have created the situation that several thousand cattle would need to be pregnancy tested again.

An exporter raised concerns that the mortality threshold can be a problem with small shipments – in an already small number, the shipment can exceed the 0.5 per cent reportable incident limit with one death.

A number of examples of inflexibility were provided by AQIS staff, AAVs and exporters. One related to the 'rule' about pinkeye in sheep, where a subtle change in interpretation by AQIS (to mandate rejection for a lesion in one eye only) has had serious implications for exporters, making this condition currently the single biggest rejection factor. The veterinarian involved called for more discretion to accept an inactive single eye lesion.

Flexibility of both Standards and associated Work Instructions is a key issue for regional AQIS veterinarians and a full review of ASEL should include consideration of issues of discretion and delegation.

4.4.5 Sanctions

Whatever the merits or otherwise of ASEL, on several occasions in the domestic supply chain the Review observed livestock that clearly did not meet the Standards. Under Standard 1, livestock sourced for export must be inspected on-farm and any animal meeting rejection criteria must not be prepared for export. However, livestock that should have been rejected under Standard 1 were seen by the Review to have been transported and accepted into registered premises. On one occasion, livestock meeting the rejection criteria were observed at ship loading and on board, having been through the requirements of Standard 4 without rejection.

Because unsuitable livestock entered the supply chain and stayed in it, a consequence observed was additional pressure on AQIS Live Export Program (LEP) veterinarians having to undertake urgent inspections prior to vessel loading and export clearance.

ASEL were criticised for lacking clear enforcement provisions. Stakeholders noted the inability of ASEL to clearly identify the roles and responsibilities of industry and government bodies, making it difficult to report and address non-compliance at key points along the supply chain.

Several comments were made, principally by welfare groups, about the inadequacy of sanctions and penalties in the face of non-compliance with ASEL. They referred to offences at unloading and embarking at the port, involving individuals or small groups of animals (usually sheep), without regulatory action.

There is no statement in ASEL about the consequences of breaching the standards. Leaving aside the penalties for conviction under state or territory welfare legislation (a rare and unlikely event in these circumstances), the penalties able to be applied by AQIS for breaches of ASEL are imposition of changes in conditions for future consignments or, in serious cases of non-conformance, suspension or cancellation of an export licence.

There has been evolution of practices in recent years in relation to investigation of mortalities and other welfare issues, as well as in the publishing of mortality investigation reports. The Review has seen evidence of some untidiness in procedures during this evolutionary process. As noted in Section 3.4.9 above, the Review sees merit in issues relating to reporting and sanctions being examined as part of the DAFF/AQIS review of service delivery issues recommended by the Review.

4.4.6 Review

Respondents commented that improvements should be made to the process of revising ASEL, and that review and amendment of problem clauses are too slow and can have serious welfare implications – for example one impractical instruction to separate mixed horn groups was said to have taken two years for LESAG to amend. In addition problems have been encountered getting minor amendments (such as changing feed rations) approved in LESAG.

Exporters also complained that the LESAG process is flawed, because the group seeks consensus but includes representation from a welfare group (RSPCA Australia) philosophically opposed to the trade. RSPCA Australia is also frustrated with the current delay in reviewing ASEL.

In March 2011 DAFF compiled a summary for LESAG of industry-funded research, conducted over the last decade, into live animal exports. There is concern that the results of much of this research have yet to be incorporated into ASEL.

LESAG is an advisory group and in the opinion of the Review its functioning should not unnecessarily delay the decision-making process within government. To that end, the role, function and effectiveness of LESAG should be reviewed, with a view to achieving more timely and better outcomes in the continuous improvement process.

4.4.7 Industry quality assurance system and ASEL

The topic of through-chain QA has been discussed in Chapter 3, in relation to future regulatory arrangements. Implementation of a through-chain QA system to facilitate compliance with standards, as recommended in Chapter 3 above, should be formally documented in ASEL.

Finding

- Since the introduction of ASEL, there have been improvements in many domestic elements of the supply chain.
- ASEL need to continue to evolve, in relation both to persistent issues like mortality in sheep exported from southern ports in winter months and to the results of scientific research.
- There needs to be closer examination of a range of issues relating to ASEL, including issues of scope, clarity and accountability, flexibility, sanctions and review procedures.

Recommendation

The Review recommends that a comprehensive review of ASEL be undertaken.

- The review should inter alia examine the policy on export of sheep from southern ports to the Middle East in winter months, with a view to:
  - mitigate feedlot and shipboard losses in adverse weather conditions
  - mitigate losses from heat stress and inanition during the voyage.
- The review should also consider additional specific criteria, identified in recent industry-funded research, for selection of suitable livestock for export.

Recommendation

The Review recommends that the role and function of the Livestock Export Standards Advisory Group should be reviewed.

5 Suitability of livestock for export as feeder or slaughter animals

5.1 Introduction

This Chapter addresses the Review's Term of Reference (d):

- the types of livestock suitable (weight, age, body condition, breeds) for export as feeder or slaughter animals.

Given the characteristics of the livestock trade from Australia, some animals are more or less suited to live export than others. Factors to consider include the distances to be travelled, whether by road, sea or air, and different climatic zones in different hemispheres. The selection of stock may also include consideration of supply, demand and sourcing pressures, as well as an animal's acclimatisation, temperament, experience with manufactured feeds, general thrift and disease susceptibility.

The Keniry Review recognised that factors like livestock type, port of embarkation, season and destination could combine to cause increased risk of mortality due to factors such as heat stress, enteritis, pneumonia, inanition, calving problems, lameness, injury and bloat. That review examined the types of livestock suitable for export and recommended the development of a national standard for livestock export, focusing on welfare throughout sourcing, preparing, assembling and transporting animals for export. The Australian Standards for the Export of Livestock (ASEL) were developed in response to that recommendation.

The Keniry Review recommended the closure of ports such as Portland and Adelaide during periods of the year when the risks of adverse outcomes are greatest. That recommendation was not accepted, and ASEL does not contain this requirement, although there are restrictions on sourcing of pastoral and station sheep for export to the Middle East by sea from May to October. However, ASEL does not define 'pastoral' and 'station' sheep.

The present Review has been asked to examine whether current arrangements, including ASEL and other controls, are adequate for determining suitability and regulating the procurement of suitable livestock for export as feeders or for slaughter. In making its assessment the Review has considered the current processes for determining suitability, public submissions, interviews with key stakeholders and the results of research into suitability conducted since the Keniry Review.

5.2 Current arrangements

This section sets out the current arrangements dealing with the suitability and the selection of livestock for export. It is a statement of the intent of the current arrangements. An assessment of their effectiveness is contained in following sections.

5.2.1 ASEL

Standard 1 of ASEL covers sourcing and on-farm preparation of livestock for export by sea, and Standard 6 covers transport by air. ASEL requires that all livestock prepared for export meet domestic standards and regulations including for food safety and fitness to travel, as well as meeting importing country requirements.

Standard 4.4 (1) of ASEL states, 'Only fit animals that comply with these standards and importing country requirements can be transported to the port of loading for export.'

Under ASEL, livestock for export must meet particular requirements relating to fitness for export including species, body condition score, health status, weight, age, pregnancy status, horn length and wool cover. Some of these (e.g. species, age, sex, breed, treatment history and origin) are basic suitability elements – that is, they will not be affected by the export preparation process. At the point of initial selection, body weight and body condition are also suitability elements but these may be affected by disease or inanition during the preparation process.

Some requirements may be varied with the 'approval of the relevant Australian Government agency'. For example, ASEL allow the Australian Quarantine Inspection Service (AQIS) to approve the export of cattle outside the recommended live weights of 200 to 650 kg under special conditions.

In consideration of mortalities due to heat stress, ASEL (S1.5, S1.5A and S1.6) set out restrictions on the classes of animals that may be exported from certain ports or sourced from specific latitudes or zones during specified times of the year. ASEL have provision for a risk management strategy to be put in place to manage these risks.

Some suitability elements can be affected by, or during, preparation after initial selection – for example, body weight, body condition and health status. Management of these elements, to produce animals fit for loading, is a function of industry and regulators *after the initial selection is made*. This chapter will not directly deal with issues affecting fitness to load after initial selection – these are covered in the chapter on regulatory arrangements (Chapter 3).

5.2.2 Selection of suitable stock

In practice, sourcing livestock for export begins with exporters negotiating with a foreign importer to supply livestock of a particular type, quality, health status and quantity. At this stage, the exporter has determined the destination country and the importing country's requirements.

The exporter then contacts Australian livestock producers (vendors), either directly or through agents, to arrange the supply of livestock to match the importer's specification and meet ASEL requirements.

The suitability of livestock can be evaluated at four stages in the domestic supply chain:

1. On-farm selection: when the vendor and exporter (or agent) agree on a consignment of livestock. At this stage, to permit removal from the property of

origin, a vendor must provide a declaration (the National Vendor Declaration). The Declaration confirms each animal's status including property of origin, identification and history of growth promotants, restricted feeds and veterinary and agricultural chemicals. The Declaration provides essential information for determining if livestock are suitable for export under ASEL requirements. Under ASEL, livestock sourced for export must be inspected on-farm and any animal with signs consistent with ASEL rejection criteria, or any other potential health or welfare issue, must not be prepared for export.

2. Before removal from the property, the livestock transporter must confirm that each animal is fit for export under ASEL. Fitness for export will include suitability criteria – an opportunity exists before loading to identify and remove animals that do not meet the suitability criteria.
3. Inspection at registered premises: under ASEL, 'Only fit livestock accompanied by appropriate documentation can be accepted into the registered premises.' Fitness includes initial suitability criteria, and an opportunity exists to remove any unsuitable animals missed during the original selection process. A further opportunity exists when preparation in the registered premises is complete and stock are loaded for transport to the departure port. Under ASEL, 'Only livestock fit to travel, which meet importing country requirements, can be loaded for transport to the port of embarkation.'
4. Loading onto the international transport vessel: this is the final opportunity to determine the fitness of livestock for export, when all unfit (including unsuitable) livestock should be removed.

5.2.3 Preparation at registered premises

ASEL Standard 3 sets out rejection criteria to be applied at the registered premises to remove unfit livestock.

Standard 3 also sets out the requirements for preparing livestock before transport overseas. The requirements include special treatments including the provision of shelter, feed type and the time spent in registered premises, having regard to the breed and origin of the livestock (suitability criteria) and the geographic latitude of the premises.

The preparations raise logistical and cost factors that may make the preparation of some types of livestock impractical or uneconomic. Therefore, whether an animal is suitable for export involves considerations of the ease or difficulty of its preparation in registered premises.

5.3 Current debate and issues raised in submissions to the Review

5.3.1 Overview

Submissions specifically considering the suitability of livestock came from both industry stakeholders and respondents concerned about animal welfare. This term of reference was the one least commonly addressed in submissions.

Many livestock industry submissions provided information about specific livestock or breed types and their suitability for export, and other physiological criteria such as body weight, health and pregnancy status.

Many submissions on suitability expressed concern about animal welfare with a general statement such as 'no animals should be exported' or by mentioning specific physiological factors, such as health status, pregnancy and horns. Some stated that it is inhumane to send Australian sheep to countries where it is exceedingly hot.

5.3.2 Role of ASEL and market drivers in selection of stock

Some industry submissions noted that the type of livestock selected for export as feeder and slaughter animals is predominantly a market-driven requirement, influenced in part by the availability of stock and prices in Australia. Some noted that selective breeding, driven by market demand, has produced a type of stock that importing countries prefer. For example:

> All species of livestock destined for export markets have undergone a process of refinement and selective breeding in order to ensure that the product produced is suitable for the intended market. The Australian live cattle trade to Indonesia is a prime example of Australian producers working with international trade partners to develop a product and market place that is mutually beneficial for all concerned. (Western Australian Farmers Federation submission, p. 3)

Some industry submissions argued that the selection of suitable livestock should be market driven rather than through government regulation. A small number of submissions noted that while it is important for markets to determine appropriate stock for export, animal welfare standards need to be taken into account.

5.3.3 Breeds

Cattle

Many industry submissions identified synergies between the preference for *Bos indicus* cattle in Indonesia and the suitability of the environment in northern Australian for production of these breeds, having originated from hot climate countries of Asia and India. Several submissions recognised that cattle breeds originating from Europe *(Bos taurus)*, predominantly bred in southern Australia, are not well suited to tropical conditions. Others suggested that *Bos taurus* breeds may be suitable for live export to temperate regions, and particularly for breeding and dairy purposes.

One industry submission noted northern Australia is well suited to extensive cattle grazing based on native pastures and favourable monsoon weather. The submission also noted that the region's limitations work against achieving the young cattle weights sought by southern markets.

Sheep

Some industry submissions stated that Australian Merino sheep are well suited for export because of their ability to thrive in difficult conditions. Another statement was that sheep have been selectively bred to suit both Australia's domestic market and the export market for live sheep.

One submission referred to the advantages of crossbreeding Merinos with Middle East breeds:

> The Australian Merino has become well adapted to handle conditions on board live export vessels and within destination countries, particularly when cross bred with resilient breeds such as the Awassi and Karakul... (Western Australian Farmers Federation submission, p. 4)

5.3.4 High vulnerability livestock

Some submissions were concerned that goats, deer, wild camels and all pregnant animals are at increased risk during the live export process.

> ASEL do not sufficiently address the risks to the welfare of more vulnerable animals including (feral) goats, heavy cattle/buffalo, (feral) camels and deer (RSPCA Australia submission, p. 5)

One submission suggested that:

> Pregnant animals should not be transported. An unacceptable percentage of pregnant heifers were identified by the Indonesian feedlot operators in 2010 [citing: *Final Report. Independent study into animal welfare conditions for cattle in Indonesia from the point of arrival from Australia to slaughter*. Prepared for Meat & Livestock Australia and LiveCorp. May 2010]. To avoid inadvertent export of pregnant heifers, exported cattle should be guaranteed spayed heifers, or steers (Dr Susan Foster submission, p. 2)

5.3.5 Physiological condition

Submissions from livestock producers and other industry stakeholders emphasised that it is in producers' interests to ensure that stock are in the best condition possible before entering the export chain.

Industry submissions expressed strong support for the 'Fit to Load' guidelines, maintaining that compliance with these guidelines confirms sound selection and suitability criteria. The submission from RSPCA Australia stated that many unfit sheep are still being delivered to shipping ports, perhaps indicating that suitability criteria are either inadequate or not being observed.

Some submissions reflected some confusion about the terms 'fitness to load' (that is, absence of conditions that render the animal unfit to export) and 'suitability', which refers to attributes assessed at initial selection.

5.3.6 Body weight

The difficulty in meeting the upper weight limit of 350 kg for cattle required by Indonesia for imports was raised in some industry submissions, with some alternative arrangements suggested.

> If anything the current upper weight limit on animals could be provided with more leniency (under veterinary discretion) as there are a number of cull 700 kg+ Brahman herd bulls deemed unsuitable for export (due to upper weight restrictions in the standards) which travel extremely well on boats and are highly sought after by many overseas countries. I believe that a boat trip of less than a week, to a similar climate, while being fully fed and watered is a much more favourable welfare outcome for these animals than a 2-3000 km road trip to Southern Australian meatworks (Dr Tony Hayne submission, pp. 2–3)

However, another submission noted that the 350 kg weight limit had produced some positive welfare outcomes:

> The enforcement by Indonesia of the 350kg weight restriction last year has resulted in only young animals being shipped, which are the most suitable and able to adapt to the changes involved in any form of transport. This is not to say older and heavier animal are not suitable, but from my point of view as an AQIS Approved Veterinarian inspecting cattle for export it was in the older groups, such as spayed or pregnancy tested empty cows and bulls, where I was more likely to find lameness or horns or a temperament not suitable for export. (Dr Peter J Letchford submission, p. 2)

5.3.7 Horns

Many submissions identified horns as an important suitability criterion because they demand more shipboard space and sometimes require treatment or removal, creating management and welfare problems. One submission stated that:

> Horned cattle should not be transported given that unacceptable stocking densities for horned cattle have been identified in Indonesian feedlots [citing Final Report. Independent study into animal welfare conditions for cattle in Indonesia from the point of arrival from Australia to slaughter. Prepared for Meat & Livestock Australia and LiveCorp. May 2010]. Dr Susan Foster submission, p. 2)

5.4 The Review's considerations and findings

5.4.1 Indicators of suitability

As stated in Section 5.2.1, livestock for export must meet requirements, including species, body condition score, health status, weight, age and other criteria. Exporters must also consider other critical factors including source and origin (e.g. arid, tropical), breeding (e.g. for meat, dairy or wool), experience with feed types (e.g. salt bush, pasture, pellets), temperament, handling and transport experience, transport distance to port, and experience with pathogens (e.g. prior exposure to disease and parasites).

5.4.2 Procurement pressures

It is apparent from sea-voyage mortality incidents that some livestock are not suitable or suitably prepared. Although not definitive, associations with mortality incidents include the property of origin, port and season of embarkation, voyage length, destination, breed, age, body condition and temperament.

The supply and demand characteristics of the market for feeder and slaughter livestock have a strong influence on the suitability of livestock presented. When supply is abundant, the quality (and associated suitability) tends to be higher. Conversely, when supply is low, lesser quality livestock are presented. Many factors influence supply but prominent are good seasons or drought, competition and alternative markets (such as domestic abattoirs) and the phase of the market cycle, where producers respond to price signals but with a lag time due to the breeding cycle.

The Review noted that the steady decline in the sheep population over the past decade, combined with prolonged drought (particularly in Western Australia), has resulted in shorter supplies of suitable sheep for export from Fremantle, perhaps providing part of an explanation for recent higher shipboard mortalities recorded in sheep loaded there.

Through-chain industry quality assurance (QA) systems proposed by the Review should take account of constraints associated with supply, with adherence to tight specifications aligned with livestock suitability criteria.

5.4.3 Contrasts between northern and southern Australia

In regard to sourcing and suitability, the northern and southern production systems both provide livestock for export, but have very different supply and demand characteristics. Variants of these systems are the rangelands or pastoral zone and the sub-tropical and tropical zones.

Northern production systems, being dominated by two seasons – the hot, humid wet season and the cooler dry season – have related and clearly defined periods of grass and shrub feed availability. Most animal production is achieved on natural feed over roughly six months, which includes an intensive period for birthing, lactation and weaning. *Bos indicus* cattle production systems predominate and are typically geared to turning off young cattle after the wet season well under 350 kg – the weight limit for Indonesia, the largest importer. Most cattle offered for export are therefore young, physically fit, adaptable and accustomed to high heat and humidity.

The domestic feeder and slaughter market for northern livestock is limited so there is little competitive pressure from domestic markets influencing supply, demand or price.

The Review found that the northern Australian cattle industry has made significant progress in improving the suitability of cattle for export, with particular reference to breeding, pre-export feeding, environmental (feedlot) conditioning and growing to weight targets. It is desirable that the industry continue to improve and refine production and conditioning processes in northern Australia for the preparation of predominantly *Bos indicus* cattle within prescribed weight limits for export.

In this regard the Review noted that a common cause of mortality in cattle, particularly cattle exported on long-haul voyages, or from or through southern Australian ports, is bovine respiratory disease (BRD). Vaccination is available and is currently used on a voluntary basis by exporters to add to protection of high-risk consignments. The frequency of high-mortality events could be significantly reduced if all cattle for export to Northern Hemisphere destinations were vaccinated against BRD.

Southern production systems, by contrast, operate with more species and with competition from domestic and export markets. Climatically, the southern production zone contrasts starkly with the prevailing conditions in most destinations in the Northern Hemisphere. For climate contrast reasons in particular, preconditioning of southern region livestock is vital for successful transport to the Northern Hemisphere.

As indicated above, when domestic demand is high or when stock numbers are low, the export trade faces undersupply, leading to lower quality and less well-prepared stock being offered. This can include lightweight or unthrifty livestock but may also include introduced stock, unfamiliar with local conditions, recently transported long-distance from other regions.

The Review found that AQIS veterinarians, AQIS-accredited veterinarians and feedlot operators in Victoria all recognised higher shipboard losses in sheep transported from pastoral areas of western NSW and Queensland and agisted for varying (often short) periods prior to entering registered premises for export.

Through-chain industry QA systems proposed by the Review should include provisions to prevent entry to southern Australian export premises of livestock introduced from northern pastoral and rangeland regions without adequate conditioning to feed, climate and disease resistance effects.

In contrast, when domestic demand is low and/or supply is high, livestock offered can be overweight or possibly pregnant. Several respondents and public submissions reflected concern about heavy wethers exported to the Middle East from Western Australia in the second half of the year, noting they are more prone to heat stress, shy feeding, inanition and salmonellosis. The Review's own observations in the Middle East were that some heavy wethers were prone to heat stress in some circumstances.

Industry QA systems proposed by the Review should include specific provisions to prevent overweight or pregnant livestock entering the export chain to the Middle East, particularly at times of the highest temperatures in destination countries.

AQIS reports of high mortality incidents in both sheep and cattle exported from southern ports (Fremantle, Adelaide and Portland) between 2006 and 2010 indicate that a high proportion of mortalities were related to suitability criteria including heat stress and enteritis in sheep (particularly fat wethers and pastoral or rangeland sheep) exported to the Northern Hemisphere; respiratory disease in unvaccinated European breed cattle exported to the Northern Hemisphere; and calving complications and recumbency/euthanasia in overweight and pregnant cattle.

The Review found that selection and certification of suitable livestock remains an important and sometimes poorly conducted operation in the export trade, especially from southern ports.

The Review noted from AQIS mortality reports that despite closer attention to risk factors and introduction of routine veterinary surveillance, export of sheep from southern ports during the Australian winter still results in a significant number of high mortality incidents.

AQIS has made the point that split voyages from southern ports, for example involving loading at Portland or Adelaide and Fremantle, often strike extreme weather conditions in the Great Australian Bight and the rough trip and longer port time can result in higher shipboard losses.

The Review has not been able, in the time available, to do a thorough study of the research and other data bearing on mortality out of southern ports. Such a study is needed and should inform the recommended review of ASEL.

Finding

- There has been significant progress in improving the suitability of cattle for export.
- Some livestock are not suitable, or suitably prepared for export. Selection and certification of suitable livestock remains an important and sometimes poorly conducted operation, especially from southern ports.

Recommendation

The Review recommends that the ASEL review should examine the policy on export of sheep from southern ports to the Middle East in winter months, with a view to:

- mitigate feedlot and shipboard losses in adverse weather conditions
- mitigate losses from heat stress and inanition during the voyage.

The Review noted a volume of research in relation to issues flowing from shipment from southern ports.

A recent Meat and Livestock Australia (MLA) project, Live.123, indicated that results of previous studies have led to the development of the hypothesis that time of year has a significant effect on sheep appetite drive and metabolism and subsequently performance and mortality on ship. The project refers to an earlier study that observed increased mortality during periods of high temperature and humidity, as are encountered during the Middle Eastern summer from July to September (Makin et al. 2010, p 96).

The MLA project investigated mortality in sheep and lambs exported through Adelaide and Portland. Consistent with previous findings, the project found that salmonella-induced enteritis was the most common cause of mortality (34.4 per cent), followed by inanition (23.9 per cent) and enteritis/inanition (18.2 per cent). Furthermore, 74 per cent of mortality was traced to 18 per cent of sheep lines (Makin et al. 2010, pp. 124–125).

Other findings were:

- the risk of mortality was significantly higher for sheep from the pastoral zone of NSW (but not pastoral sheep from South Australia)
- the risk of mortality was significantly higher for sheep from Queensland
- distance travelled to reach the assembly depot did not have a marked effect on the risk of mortality
- mortality risk was lower for young wethers than for old wethers
- there was an increased risk of mortality in rams compared to wethers, although the difference was not highly significant
- the risk of mortality was significantly higher in the Southern Hemisphere winter and spring than in autumn.

The MLA project observed that specific lines of sheep from certain locations were more likely to die and suggested that sheep immunity is compromised by property of origin factors or the process of getting sheep to the assembly depot. Levels of Salmonella exposure and host immunity were identified as important drivers of disease (Makin et al. 2010, pp. 3).

Another recent MLA project (W.LIV.0132) presented a review of current knowledge about salmonellosis and inanition as causes of mortality in live export sheep. The project noted that higher mortality rates have been identified in mature sheep, sheep with greater fat reserves, sheep from areas with a long pasture growing season and sheep exported during the second half of the year (Perkins, House & Barnes 2010, p. 10–11). The project also found that factors in the development of salmonellosis include the level of salmonella challenge, specific immunity, and general health and resistance to infection (influenced by immune response capacity, concurrent disease, nutrition and stressors such as transport, yarding and inclement weather) (Perkins, House & Barnes 2010, p. 10–11).

The recent research suggests that the key factor contributing to sheep mortalities remains shy-feeding, resulting in death from either inanition or salmonellosis. The

second most important factor is the farm of origin (most deaths are associated with only a few farm groups of sheep). This indicates unsolved problems with sourcing and selection of suitable sheep.

Indications are that complex interplays of metabolic and physiological factors can predispose sheep to using or avoiding pellet feeds on a voyage. Examples are whether at the time of sourcing, sheep were on dry pasture or green pasture, or laying down or consuming fat reserves. Age also appears to be a factor. Young, actively growing sheep generally have a stronger appetite than older sheep.

In March 2011 DAFF compiled a summary for LESAG of industry-funded research, conducted over the last decade, into live animal exports. As indicated in Chapter 4, there is concern that the results of much of this research have yet to be incorporated into ASEL.

Recommendation

The Review recommends that the proposed review of ASEL should also consider additional specific criteria, identified in recent industry-funded research, for selection of suitable livestock for export.

5.4.4 Pregnancy

The Review found that despite the decline in the number of calves born in feedlots and onboard ships in the last few years, there is still a residual problem with pregnancy in cattle selected for export as feeder and slaughter animals.

As the live export industry developed in northern Australia, requiring pregnancy testing of large numbers of cattle, accreditation schemes for lay pregnancy testers were introduced in the Northern Territory and northern Western Australia. The performance of lay testers is not subject to audit or measurement under a code of practice or legislation. The accuracy of lay testing has been questioned by some respondents to the Review.

In the sheep industry, ultrasound pregnancy testing is also conducted by lay operators. Questions have also been raised about the accuracy of this testing.

The point was made by an experienced and competent veterinarian that a longer period for the interval between pregnancy testing and shipment (up to 45 days) should be allowed in some circumstances where the accuracy of diagnosis is known to be high.

The Review comments that pregnancy testing is not foolproof in early pregnancy, but for breeding livestock early-pregnant (first third of pregnancy) animals should not be at greater risk than non-pregnant animals. However, as the pregnancy progresses so the risks increase. In view of the fact that 45 days is nearly one third of the normal length of pregnancy in sheep (145–150 days), for this discretion to be allowed the diagnosis should need to be ‘non-pregnant’ or ‘no detectable pregnancy’ when the testing can

be trusted. Otherwise, ewes with no pregnancy 'showing' but where pregnancy is half complete could be shipped, after a 45 day delay, as they are entering the high-risk stage of pregnancy. Some consideration must be given to the suitability of the 45 days for both cattle (280 pregnancy length) and sheep (145–150 day length) and to an acceptable pregnancy status related to that, differentiated by species.

It would be appropriate for DAFF/AQIS to take up with state and territory governments the issue of training, accreditation and continuing competency assessment programs for persons engaged in pregnancy diagnosis in cattle and sheep, to improve compliance with ASEL.

The Review suggests that insistence on the 30-day limit for the period between pregnancy diagnosis and departure should be subject to discretion by AQIS where there is a low pregnancy risk.

5.4.5 Other suitability factors

Other aspects of suitability are the animal's temperament and its experience with mustering, handling, transport and manufactured feeds. Wild-caught species such as goats and species or individuals with a nervous temperament, such as deer, need special preparation to ensure they are transported successfully.

5.4.6 Suitability of other species

About 80,000 goats are exported live per year. Since the industry has moved to predominantly air transport, few losses and no reportable mortality incidents have occurred. Only bucks are exported, substantially reducing the suitability risks.

Because of time constraints, the Review was unable to pursue issues related to species other than the main exported species – cattle, sheep and goats.

In the last two years, all consignments of exported camels, alpacas and deer have been for breeding purposes only, with very little mortality.

During 2009–2010, 6039 buffalo were exported as feeder or slaughter animals to Brunei Darussalam and Indonesia. In 2009 and 2010 the average mortality rate for buffalo was 0.03 per cent and 0.04 per cent respectively.

5.4.7 Livestock traceability

A more effective traceability system is needed to trace sheep from high-mortality voyages to properties of origin and allow for refinement of suitability criteria. Ensuring this, whether for individual animals or groups, raises a number of complexities.

For example, there is an exemption from the national requirement for individual identification in the case of export cattle from the Northern Territory and Western Australia. The Review found a view among some exporters that the new arrangements with Indonesia make this exemption untenable. The Review believes that the exemption cannot be sustained, given its incompatibility with satisfying the requirement for

individual identification and traceability under the new arrangements for live cattle exports.

Traceability in sheep is difficult because the National Livestock Identification System in sheep is not mandated in all jurisdictions, radio frequency identification devices are not widely used, transactions are sometimes not recorded and there is no central database of sheep movements. At Portland and probably other ports, counting livestock (particularly sheep) onto the ship is carried out by wharf staff using manual counters. Industry has advised that sheep counts in particular are often inaccurate and contribute to errors in calculating mortality rates. Agents and depot operators also mix groups on size and condition – in sheep it is possible to lose track of multiple sources so it is more difficult to determine if there are problems in specific origins or classes.

Traceability is central to the approach being adopted for the resumed export trade to Indonesia because it is a key element in supply chain assurance. This is discussed further in Chapter 7.

6 International animal welfare standards

6.1 Introduction

Earlier chapters of the Report covered Australia's domestic arrangements for the livestock export trade, as well as issues relating to sea/air transport. Chapters 6 and 7 consider international animal welfare standards and the management and treatment of livestock after arriving in importing countries.

This Chapter addresses Term of Reference (a):

- the facilities, treatment, handling and slaughter of livestock, exported from Australia, in the importing country for consistency with the World Organisation for Animal Health (OIE) animal welfare recommendations set out in *Terrestrial Animal Health Code* (2010) published by the OIE and other relevant standards.

It was not possible for the Review to visit all livestock importing countries in the time available. In order to gain an understanding of the facilities, livestock handling, management and slaughter practices in importing countries the Review visited most key markets for cattle, sheep and goat exports. Information on other key markets, obtained through government, industry and animal welfare sources, was used to inform a desktop analysis of those countries.

The market visits provided the Review with a good understanding of the variety of conditions in different importing markets. This included a practical understanding of some of the cultural, religious, commercial and social dynamics affecting management of livestock. The Review noted that all countries importing Australian livestock are members of the OIE and all have agreed to work towards implementation of the welfare standards. The Review also sought to understand how the OIE standards have been taken up in each of the markets.

Because the Review did not visit all markets, it does not single out for comment conditions in individual markets visited. Instead it draws conclusions which it believes apply generally.

6.2 Current arrangements

There are no regulatory requirements under export legislation for Australia to inspect post-arrival arrangements other than for the Egyptian market under a Memorandum of Understanding relating to the handling and slaughter of Australian cattle. The Review understands that since the middle of 2006, the Department of Agriculture, Fisheries and Forestry has inspected and assessed a small number of post-arrival facilities prior to the commencement of trade.

6.2.1 OIE standards

The OIE is the intergovernmental organisation responsible for improving animal health worldwide. It is recognised as a reference organisation by the World Trade Organization (WTO) and sets the international animal health standards and animal welfare standards. In 2011 the OIE had a total of 178 member countries and territories. OIE Members mandated the organisation to take the lead internationally on animal welfare and, as the international reference organisation for animal health, to elaborate recommendations and standards covering animal welfare practices, reaffirming that animal health is a key component of animal welfare (OIE 2011a).

The OIE develops standards through the work of expert ad hoc groups that are convened to develop draft texts for the OIE Terrestrial Animal Health Code (the OIE Code). The OIE publishes two codes (terrestrial and aquatic) and two manuals (terrestrial and aquatic) for standards relating to animal health and zoonoses as the principal reference for WTO members. The codes traditionally addressed animal health and zoonoses, but have, in recent years, expanded to cover animal welfare and animal production-related food safety, consistent with the expanded mandate of the OIE which is 'to improve animal health worldwide'. The OIE has more recently become the leading international organisation for promoting animal welfare standards. It prepares and issues non-binding international standards within the scope of its animal welfare mandate.

Since May 2005, the World Assembly of OIE Delegates has adopted seven animal welfare standards in the OIE Code (OIE 2011a). The standards for animal welfare at slaughter were adopted unanimously at the OIE General Assembly in Paris in May 2005. The four standards relevant to this Review are:

- Transport of animals by sea
- Transport of animals by land
- Transport of animals by air
- Slaughter of animals.

The OIE animal welfare standards are available from the OIE website at http://www.oie.int.

The OIE Code provides considerable detail on the humane treatment of animals during transport, holding and slaughter. It does not mandate the stunning of animals prior to slaughter, though humane methods for stunning are described. A key principle adopted by the OIE is that 'equivalent outcomes based on performance criteria, rather than identical systems based on design criteria, should be the basis for comparison of animal welfare standards and recommendations' (OIE 2011b).

The OIE expects that member countries will adopt domestic animal welfare standards and regulations that are consistent with the requirements of the OIE's animal welfare standards. Australia's domestic standards are generally consistent with OIE standards for land transport, sea transport, air transport and slaughter.

6.2.2 Religious or ritual slaughter (halal or kosher)

To understand the nature and context of OIE animal welfare standards for the slaughter of livestock it is useful to consider also the current Australian standard in this area. It is important to note a point overlooked in much discussion in Australia, namely that the Australian standard allows for the non-stun slaughter of livestock in certain circumstances.

In Australia the slaughter of livestock for human consumption, whether for export or domestic markets, is undertaken in accordance with the Australian Standard AS 4696:2007 *Australian Standard for the hygienic production and transportation of meat and meat products for human consumption* (the Meat Standard). The Meat Standard was developed to cover the production of meat for human consumption from sheep, cattle, pigs and goats, including matters covering the welfare of animals at slaughter.

The current requirements for approved arrangements to carry out ritual slaughter under the meat standard were provided by the Meat Standards Committee. The term 'ritual slaughter' covers production of meat for kosher or halal purposes from sheep and cattle allowed to be conscious when their throats are cut. The instructions permit religious slaughter of bovines if stunning occurs immediately after sticking, but for sheep stunning is not required. In relation to cattle, Clause 7.12 of the Meat Standard requires that:

> An animal that is stuck without first being stunned and is not rendered unconscious as part of its ritual slaughter is stunned without delay after it is stuck to ensure it is rendered unconscious. (FRSC 2007, p. 22)

The majority of countries which import Australia-sourced livestock are predominantly Muslim and thus follow specified religious practices in the slaughter of animals.

The key aspects of halal slaughter are that the animal must be alive and healthy when it is slaughtered. Slaughter is done by single cut with a sharp knife by a practising Muslim. At the moment each animal is cut, tasmiyah (a prayer) must be performed.

Islamic doctrine specifies the methods by which animals are to be slaughtered for consumption. While the general concept of this doctrine is clear (cutting of the throat tissues, carotid arteries, wind pipe and jugular veins with a sharp knife, without severing the spinal cord), there are differing interpretations of some aspects. There are some differences within the global Islamic community as to whether, under Islamic precepts, animals may be stunned before slaughter. The Review is aware that in some countries Islamic authorities allow pre-slaughter stunning, while in others it is not supported.

The key aspects of Jewish slaughter require that the animal must be alive, healthy and unblemished (uninjured) at the point of slaughter; stunning the animal is not allowed. Slaughter must be undertaken by a shochet (a Jewish slaughterman). The cutting is done with a chalef, a very sharp knife, and all flowing blood should be drained out of the animal.

6.2.3 Promoting the OIE animal welfare standards

The promotion of the OIE animal welfare standards and adoption by OIE member countries is an ongoing process. Australian experts participated in the writing groups that produced the standards that cover land, sea and air transport. The Australian Government and industry have actively promoted implementation of the OIE standards internationally and, especially, in Asia, the Far East and Oceania.

The OIE Regional Animal Welfare Strategy: Asia, the Far East and Oceania (RAWS), was endorsed by the OIE International Committee in May 2008. The recommendations in the OIE RAWS Implementation Plan were endorsed in Bangkok in April 2010. The RAWS initiative is the first OIE regional animal welfare strategy and is being used as a model for OIE animal welfare strategies in other regions.

The RAWS Coordination Group aims to provide member countries with general guidance to help improve the welfare of animals through activities such as education, regulation, and research and development via the creation of a roadmap for the development of future animal welfare policies. A further aim is to assist member countries to establish priorities consistent with the goals of RAWS by facilitating their access to resources, including technical experience, scientific information and funding.

6.3 Current debate and issues raised in submissions to the Review

Submissions to the Review commented extensively on issues associated with the OIE Code and the adequacy of its implementation as well as on specific countries. Key issues raised by respondents centred on views that the OIE standards are not binding or mandatory on member countries, that they allow for non-stun slaughter and casting of livestock and that they fall below Australian standards.

6.3.1 Adequacy of the OIE standards

It was the view of some respondents that the OIE Code was constructed primarily with the needs of international animal health, and consequently human health, in mind, and that animal welfare standards were included within that context.

> ...the International Organisation for Animal Health is just that – an organisation for animal **health**, focusing primarily on health, **not welfare**. Its standards to do with the slaughter of animals are rudimentary, were devised for developing countries, and are recommendations only. (Stop Tasmanian Animal Cruelty submission, p. 3)

A range of submissions noted that the standards were designed to encourage developing nations to adopt reasonable animal welfare practices. For example:

> These OIE guidelines are designed to set a starting point for developing countries that don't have animal welfare arrangements in place – they do not reflect good or best animal welfare practice. (RSPCA Australia submission, p. 2)

One submission suggested that, by sending livestock to Indonesia:

> Australia is actively undermining the work of the OIE in developing countries by trading with nations which are OIE signatories but which are failing to meet OIE guidelines on the treatment of animals. (Jan Kendall submission, p. 2)

Another view in submissions was that it was reasonable that a developing country such as Indonesia base its animal welfare requirements on the OIE standards.

> The OIE is a standard that Australia must respect and treat as a guideline that must be adhered to by the countries that we sell to, regardless of [the fact] the standards that we have in Australia are higher. (Len Perry submission, p. 1)

Animal welfare advocates argued that, for a range of reasons, the OIE standards are inadequate. They also argued that even if the standards were adequate, they are not being observed in practice.

Industry stakeholders argued that the problem is not with the standards themselves, but with their application. Some submissions maintained that the majority of abattoirs comply with the standards. Others acknowledged that the standards may not always be observed at the point of slaughter. For example:

> The current debate has missed the real issue. Many have made the issue the banning of live exports when the real issue is at the point of slaughter. The weak link in the supply chain is what was able to happen in some locations at the point of slaughter. I say some, as there are locations that were slaughtering cattle to the highest standard which stands as testament to the fact that the whole supply chain can work to an acceptable standard. (Dr Peter J Letchford submission, p. 2)

6.3.2 Pre-slaughter stunning and casting

The most common criticism of the OIE standards was the observation that they do not mandate the pre-slaughter stunning of animals. Based on this alone, many animal activist groups considered the standards inadequate.

The other major issue raised was that the standards do not exclude the roping restraint, tripping or casting of livestock. RSPCA Australia commented on both the lack of a requirement for stunning prior to slaughter and the use of ropes:

> The OIE slaughter guidelines do not require upright restraint and stunning of an animal prior to the throat cut. Nor do they prohibit the traditional roping slaughter whereby animals are roped around the legs and head, then forcibly tripped and pulled to the floor for the throat cut. Turning or tripping animals onto their side inevitably results in the animal struggling in an instinctive response to try and regain its feet. (RSPCA Australia submission, p. 3)

Submissions to the Review generally reflected confusion about the use of stunning, with some stating that religious practices are inherently cruel and the cause of much animal suffering, and others stating that it is clear that Islamic law does allow for

stunning and indeed required animals to be slaughtered for meat free of 'fear, pressure, misuse or torture'.

6.3.3 OIE animal welfare standards are not mandatory

It was also submitted that the overarching difficulty with the standards is that they are not mandatory. Animals Australia also expressed concern about the OIE standards:

> The OIE is an umbrella organisation. Most of the countries to which Australia exports live animals are OIE members. However, the relevant recommendations are just that – they are not mandatory in any sense. It is therefore misleading in our view to refer to them as 'standards'. Furthermore, it is important to appreciate that OIE recommendations are set at the 'lowest common denominator'. They are rarely prescriptive and in many cases are little more than rhetoric. They would not be acceptable in Australia. (Animals Australia submission, p. 3)

Concerns about precision of the text, the inability to enforce OIE standards and the inadequacy of animal welfare regulations in importing countries were expressed in a number of submissions. For example:

> It has also been shown that we can't control all aspects of the live export industry. There will always be a part of this industry that falls into the hands of the country that we export to. This is the part that shows the most extreme cases of cruelty, though not the only cases or instances of cruelty. While these countries that we export to continue to have animal welfare laws that are either inadequate or don't allow for prosecution on breaches of the laws, then we will have our hands tied on what we can enforce as far as standards are concerned. (Bronwyn Williams submission, p. 1)

The livestock industry itself acknowledged the gap between having standards, and having those standards implemented in practice. In documenting the history of the emergence of the OIE standards and the OIE Code, the joint submission by Meat and Livestock Australia and LiveCorp stated that:

> It is important to note that the unanimous acceptance by the OIE membership in May 2005 of animal welfare standards in the OIE Code does not mean that all countries currently meet these standards. Indeed, it is clear to even the most casual observer that in some countries (particularly developing countries) the OIE standards are not met in a number of areas. (MLA and LiveCorp joint submission, p. 54)

6.4 The Review's considerations and findings

6.4.1 Significant variations between markets

The Review observed significant variations in conditions and arrangements between and within supply chains in countries in the Middle East and South-East Asia. In all cases, governments supported the application of OIE standards. In some cases, the practices

observed fully met the OIE standards. In other cases, they fell below, and in some cases well below, the OIE standards.

In countries highly dependent on the livestock export trade as a source of protein there is a correspondingly high level of government interest and involvement in the trade, with some governments holding financial interests in livestock importing companies. The supply chain in these countries tends to be highly concentrated and controlled by only a few vertically integrated companies. Some governments subsidise the supply of red meat including live animal imports and air-flown carcases. Current high sheep prices and the strong Australian currency have meant the subsidy is having a substantial impact on the budgets of governments in these countries.

There is substantial variation in the existence and enforcement of animal welfare regulation in importing countries. The Review was provided with detailed animal slaughter and animal welfare requirements and regulations by some governments, although gaps were observed in some cases in requirements for monitoring and enforcement.

In a number of countries opportunistic sales to individuals can create a potential for leakage of Australian livestock from the supply chain. This may be the case especially during religious festivals such as Eid al-Adha.

The Review was also informed that in some countries slaughter animals are removed from the supply chain to become breeders.

While the leakage of Australian livestock from the supply chain must stop under any new arrangement, other animals (e.g. sheep from Africa) will take their place in sales in the opportunistic, individual animal market.

The Review observed in a number of countries that modest investments in races or V-restraint machines and slaughter tables can substantially improve animal welfare for sheep at the point of slaughter. Where improvements are required in the cattle supply chain to meet OIE standards the capital costs are likely to be reasonably high, such as an infrastructure upgrade to put in a restraint box.

6.4.2 OIE animal welfare standards

The OIE animal welfare standards provide an international benchmark that is accepted and recognised by OIE member countries. Meeting the standards is achievable. The standards cover the whole slaughter process and if followed substantially reduce welfare compromise in livestock, particularly before and during non-stun slaughter.

OIE standards allow for both halal and kosher slaughter without stunning. The standards were developed with consideration of religious slaughter and are in harmony with both kosher and halal slaughter requirements. The tenets of both Judaism and Islam affirm the duty of each person engaged in slaughter to treat animals kindly.

The Review found that government officials and industry involved with the livestock industries in importing countries had a good level of general knowledge of the OIE

animal welfare standards and requirements. In some instances these standards had been used as a basis in developing domestic animal welfare regulations and standards. The Review was advised that new animal welfare laws are soon to be agreed by the Gulf Cooperation Council (GCC) and that once agreed these laws would be implemented by each of the GCC member countries.

Over the last 18 months the OIE has run a global program of capacity building for OIE delegates and OIE animal welfare focal points (officials responsible for animal welfare). The aim of the program is to explain and clarify the role and responsibilities of the focal points and to facilitate consistency and harmonisation among OIE members. In 2010 the OIE held animal welfare focal point meetings in Beirut for Middle East members and Bangkok for Asia, Far East and Oceania members.

The role of the OIE focal points is to assist in promoting the adoption of animal welfare standards in each member country. It is recognised that implementation of the OIE standards internationally is an important initiative, particularly in developing countries.

There is scope for Australia to do further work internationally to enhance the implementation of OIE standards. This includes working through the OIE to assist in the provision of practical guidance to governments and industry on how supply chains could consistently meet the standards.

A number of international organisations such as the World Bank, the Asian Development Bank and the Food and Agricultural Organization of the United Nations have an interest in animal welfare issues. Increasing engagement with these organisations would also be useful in developing regional and international consensus on animal welfare issues.

The Review's discussions with government representatives in importing countries were, in general, positive. There was general acceptance that the OIE standards should be implemented. There was also sensitivity in some places about any suggestion that Australia might be seeking to mandate its own standards overseas, with implications for importing countries' sovereignty. At the same time there was a ready understanding that Australia would look to ensure, via commercial arrangements, welfare of Australian livestock in accordance with the OIE standards.

Finding

- The goal of assuring animal welfare in accordance with the OIE standards (as a minimum) has widespread acceptance overseas.
- There is scope for Australia to do further work internationally to enhance the implementation of OIE standards.
- There is a need for awareness, and appropriate handling, of sensitivity in some overseas countries about the perception that Australia may be seeking to regulate extraterritorially.

6.4.3 Animal welfare practices

There is little doubt that non-stun slaughter causes pain and distress until the animal becomes insensible after the neck cut. Therefore all people responsible for the slaughter of animals have a compelling obligation to minimise *all other* types of pain and distress associated with the prelude to such forms of non-stun slaughter. An improvement on *non-stun* slaughter, if acceptable to religious authorities, would be *post-cut* stunning – again with assiduous attention to all other potential sources of animal welfare compromise.

It is important to note that implementing *post-cut* or *pre-cut* stunning does not absolve animal handlers from following all other OIE standards and making the whole process in all other respects as humane as possible.

In order to ensure good animal welfare outcomes it is important to ensure effective restraint is used. This is particularly critical where the slaughter is of unstunned animals. Without adequate restraint animals may struggle, exacerbating the pain from the neck cut. Inadequate restraint can also make it more difficult to effectively cut both carotid arteries, thus potentially extending the time before the animal loses consciousness and the time during which the animal is experiencing pain. Where the handling and restraint procedures create distress in the animal the sympathetic nervous system is aroused and its activation can delay the onset of unconsciousness. Proper design of facilities and training of staff involved in the slaughter process will also improve safety for those staff involved in the slaughter process.

The report of the recent assessment of the Mark I and Mark IV restraining boxes conducted by the Australian Chief Veterinary Officer (ACVO) was provided to the Review. The ACVO found that Mark I boxes do not comply with several elements of the OIE Code Chapter 7.5 'Slaughter of animals' (Schipp 2011, p. 1). The ACVO's findings are supported by observations of the Review in some importing countries.

Site visits by the Review established that the V-restraining box and Mark IV restraining box are a substantial improvement on the Mark I restraining box. Both the V and Mark IV restraining boxes substantially reduce major animal welfare issues in non-stun halal or kosher slaughter by enabling the animal to be immobilised quickly, allowing the neck to be presented in a way that facilitates cutting it, and by aiding the bleed-out by preventing the cut from closing.

Pre-slaughter stunning done properly eliminates all post-cut animal welfare issues. In the majority of establishments where stunning had been implemented the animal welfare outcomes were well managed. However, the Review also witnessed inadequate stunning procedures which were inconsistent with OIE standards. This clearly demonstrated that where stunning is used there must be adequate training for use and maintenance. It is also important that abattoirs have backup systems in place if there is an equipment breakdown or if an animal is not stunned adequately.

To undertake stunning reliably proper restraint of the animal is required – the V-restraining box or the Mark IV restraining box may both be fit for that purpose for cattle, the Mark IV restraint being better than the V-restraint. The Review witnessed a number of 'copy boxes' in use which more than adequately served their purpose.

Effective, low cost modifications to a Mark I box were also seen in operation in a number of establishments that utilised stunning. The Review supports the ACVO's assessment that, 'Modification of Mark I restraint boxes to incorporate stunning prior to slaughter may address many of the animal welfare concerns identified, but positive animal welfare outcomes require both an engineering and a workforce solution' (Schipp 2011, p.7). Effective stunning will render the animal insensible to any of the noxious stimuli or emotions associated with the slaughter process. It will also remove the pain associated with the neck cut as long as the animal does not regain consciousness.

The Review observed practices in a number of importing countries which fully met the OIE standards. This applied to both stunned and non-stunning slaughter. There were a number of examples of good practice in terms of facilities and practices at offloading, trucking, feedlot, lairage and slaughter points.

Many of the people responsible for the management, handling and husbandry of livestock in the countries visited were found to be competent and had received some training. The people met by the Review were keen to receive feedback on their facilities, processes and activities and wanted to know where they might access additional information and assistance.

The Review observed practices in a number of importing markets that are incompatible with the OIE standards. These included:

- hoisting of conscious animals by a leg
- ineffective/inappropriate use of stunning equipment
- severing the spinal cord using a puntilla
- inappropriate use of pointed implements to try to move animals
- moving animals over the top of recumbent animals in a race
- slaughtering animals in view of other animals waiting for slaughter
- allowing insufficient time between the cut and further movement of the animal.

The variation in the level of the implementation of the OIE standards supports the concept of implementing a controlled and audited supply chain to ensure good animal welfare outcomes.

A number of supply chains, and indeed whole markets, are thought to be operating in ways that are generally consistent with OIE standards. However, the Review concluded that, under the arrangements currently applying in supply chains other than those recently approved in relation to exports to Indonesia, the Australian Government cannot have a high level of confidence that Australian livestock in all supply chains and in all markets are being handled and slaughtered consistent with OIE standards. New arrangements would need to be put in place to provide to the Australian Government and the Australian community the expected levels of confidence in animal welfare outcomes necessary to ensure a sustainable future for the trade. The means of gaining that assurance are discussed in Chapter 7.

Any arrangement covering livestock exports needs to be sensitive to cultural and religious beliefs and customs in importing countries when considering how to ensure consistency with international animal welfare standards. As indicated above, the OIE standards allow for differences in cultural and religious beliefs and practices, including attitudes to the use of stunning.

In this regard, the Review observed a number of variations in attitudes to issues like stunning. In Indonesia, the Majelis Indonesia Ulama (the Indonesian peak Muslim clerical body) made very clear that it regards both non-stun and pre-stun (non-fatal) slaughter as consistent with the precepts of Islam. In at least one Middle East country, pre-cut stunning is usual. In most Middle East countries stunning is not regarded as consistent with the precepts of Islam, although the Review encountered interest in some markets in the concept of post-cut stunning.

As noted above, there is a problem in a number of importing countries relating to the removal of livestock from supply chains, including during festival periods. Outside Eid al-Adha, officials and industry expressed confidence in the level of control over the majority of the supply chains for Australian live trade, but the Review does not have full confidence in that assertion.

Based on the Review's visits and observations in markets in the Middle East and South-East Asia, it is evident that significant animal welfare gains have been achieved in some markets with a longstanding Australian export presence, including through MLA's regional representation and Australian investment in animal welfare improvements. The Review was impressed by the professional commitment to improving animal welfare conditions shown by MLA employees. The work of MLA in developing the Mark IV restraining box has been overshadowed in some commentary by adverse comments on the Mark I box, which in the opinion of the Review (and of the ACVO) does not comply with OIE elements but was regarded by many as an improvement when it was first introduced some years ago.

In another case, the Malaysia–Australia Agricultural Cooperation Working Group agreed on a study into post-arrival management of Australian goats. A subsequent report recommended a collaborative approach aimed at improving animal welfare in areas like truck driver training and infrastructure. A number of these were implemented through an MLA project funded under the Live Trade Animal Welfare Partnership.

Some government and industry representatives in importing countries expressed a keen desire to work with the Australian Government and industry to improve practices and facilities. They see the continued supply of Australian livestock as critical to food security, and wish to understand any new arrangements that the Australian Government may look to implement. The Review saw a number of signs, in its discussions overseas, of interest in the possible new arrangements for Australian livestock, and some interlocutors spoke of wanting to work for wider improvements, relating to the welfare of all livestock.

The Review noted that there had been significant recent action by the industry to improve slaughter facilities within Indonesia. Work by the industry and MLA had already increased the number of OIE-compliant slaughter facilities. It was reported that the

number of slaughterhouses using stunning had also increased from 4 to 21 in a six-week period. The Review was advised of plans to improve standards and introduce stunning in additional facilities in due course to increase the number of eligible supply chains.

Finding

There is considerable variation in conditions in overseas markets, and in animal welfare outcomes. There is a wide variation between different supply chains, some fully meeting OIE standards, some falling short or well short.

- Under arrangements currently applying in supply chains other than those recently approved in Indonesia, the Australian Government cannot have a high level of confidence that Australian livestock in all supply chains and in all markets are being handled and slaughtered consistent with OIE animal welfare standards.
- New arrangements need to be put in place to provide the expected levels of confidence.
- There are signs that the new arrangements being discussed for the Australian export trade have the potential to lead to improved practices more broadly in importing countries.

7 Post-arrival monitoring and risk management

7.1 Introduction

This chapter address Terms of Reference (e) and (f):

- the extent of monitoring required for each export consignment of feeder or slaughter livestock, in a manner that ensures accurate and transparent reporting to the Australian Government of the condition of the livestock from departure from Australia up to and including the point of slaughter in the country of destination
- the risk management strategies necessary to address the welfare of animals from departure from Australia, up to and including the point of slaughter in the country of destination.

As outlined in the previous chapter, visits to a number of countries importing Australian livestock demonstrated to the Review that there is considerable variation in conditions in overseas markets, and in animal welfare outcomes. There is wide variation between animal welfare outcomes in different supply chains, some meeting the World Organisation for Animal Health (OIE) animal welfare standards, some falling short or well short.

The Review considered the high-level approach and principles necessary to achieve the outcome of ensuring that Australian livestock exported for slaughter are handled and slaughtered in conditions which deliver appropriate animal welfare outcomes. In the various importing markets there are species-by-species and commercial circumstances which affect the means of achieving that outcome.

Concurrent with this Review, and acting of the advice of the Industry Government Working Group, the Australian Government announced a new regulatory framework for exports to Indonesia of feeder and slaughter livestock from the point of disembarkation to the point of slaughter. In addition, it announced that it had asked for proposed regulatory approaches for exports of cattle to other markets and sheep and goats to all markets to be provided for its consideration. These proposals have now been submitted to government.

In these circumstances, part of the approach the Review adopted was to assess whether the approach developed in the case of exports to Indonesia is appropriate in other markets – with or without variations.

7.2 Current arrangements

The Review has taken into account existing arrangements that have been implemented both by Australia and by other countries.

7.2.1 Memoranda of Understanding with trading partners

Australia has had formal arrangements in place with a number of countries relating to livestock exports. These apply to the treatment and handling of livestock from their point of departure from Australian shores.

The Australian Government's response to the 2003 Keniry Review determined that trade to Middle Eastern countries would be conditional on a government-to-government agreement that established terms of trade – in particular providing assurances that, where concerns are raised about a potential disease problem, a shipment would be discharged into a quarantine facility. For the purposes of developing bilateral agreements, this requirement was subsequently expanded to include African nations.

Memoranda of Understanding (MoUs) have been developed with several countries, particularly in the Gulf, which receive Australian livestock. As government-to-government agreements, these MoUs provide for contingency arrangements to be put in place should concerns be raised about the health status of a consignment on arrival.

All the MoUs that have been finalised make reference to the expectation that the Parties will comply with their OIE rights and obligations. However there are no specific actions required by the signatories under the MoUs nor is there any agreed compliance regime.

Since 2004, MoUs on live animal trade have been signed with ten countries in the Middle East and Africa region. These countries are:

- Bahrain
- Egypt
- Eritrea
- Jordan
- Kuwait
- Libya
- Qatar
- Saudi Arabia
- Sudan
- United Arab Emirates.

An additional MoU between Egypt and Australia was negotiated to address the handling and slaughter of Australian live animals. This agreement puts in place additional controls on post-arrival animal handling and welfare.

Key provisions in the Australia–Egypt MoU on Handling and Slaughter of Australian Live Animals include: infrastructure and handling requirements in line with OIE animal welfare standards; traceability of Australian live cattle from port of export to point of slaughter based on the National Livestock Identification System (NLIS);

inspections by approved Australian veterinarians of approved Egyptian facilities, systems and procedures; and cooperation through specific projects to underpin improvement in Egyptian animal handling and slaughtering practices. Egypt is the only country with which such an MoU has been signed.

The process of negotiating an MoU provides benefits in terms of establishing a framework for dialogue with the importing country authorities. The MoUs also provide for technical cooperation to improve animal welfare. Cooperation projects have been delivered in the past through the Live Animal Trade Program (LATP) and now through the Live Trade Animal Welfare Partnership (LTAWP). This has facilitated mechanisms such as infrastructure development and technical assistance.

7.2.2 A new regulatory approach: Indonesia

The reopening of live trade with Indonesia was conditional on exporters meeting a new set of regulatory requirements which define the circumstances in which Australian livestock would be allowed to be exported for the purpose of slaughter.

The objective of this regulatory approach is to deliver confidence to both the Australian Government and the Australian community that Australian livestock exported to Indonesia are treated in accordance with international animal welfare standards. The Australian Government's 'Action on live exports' website provides the following recital of the livestock export supply chain assurance system (DAFF 2011b, p. 2).

The proposed approach is based on the following principles:

- **Exporter evidence of whole of supply chain control** – an exporter, through its commercial relationships, must be able to demonstrate that the animals in a consignment are in a controlled supply chain during transport from port of arrival to feedlot, while in the feedlot, during transport from feedlot to abattoir, while in the holding yards and throughout the slaughter process. This will entail the ability to identify and account for all animals in a consignment, to reconcile and report on animal identifications, and to ensure their treatment according to internationally accepted animal welfare standards.
- **Traceability of animals** – all animals in an export consignment must be individually identifiable and able to be located at any point along the export supply chain from the Australian registered premises through to the overseas abattoir. The system of identification is at the discretion of the exporter but it must enable identification of individual animals; allow for the reconciliation of animals at each point of the supply chain; and be capable of providing reports on individual animals and for consignments as a whole.
- **Consistency with international animal welfare standards** – all elements of the supply chain must meet, at a minimum, the standards established by consensus of the World Organisation for Animal Health (OIE). These will be operationalised in a checklist titled "Guidance on meeting OIE animal welfare standards" developed by the Department of Agriculture, Fisheries and Forestry (the "animal welfare checklist").

- **Exporter engagement of independent third party assessment of the controlled supply chain** – the exporter must provide assurance that animals are in the controlled supply chain; that the supply chain complies, at a minimum, with the animal welfare checklist; and that there is an appropriate system for the reconciliation of exported animals throughout the supply chain and for performance monitoring. This assurance will be:

  – Independent;
  – Evidence based;
  – Transparent;
  – Impartial, ethical and professional;
  – Consistent with international audit standards; and
  – Conducted by qualified and experienced independent auditors.

Under this system the Australian Government is not purporting to regulate overseas nor is it responsible for providing accreditation, approval or regulation of offshore facilities. The Australian Government maintains its regulatory relationship with the Australian export licence holder, and issues export permits on the basis that the exporter is to fulfil all performance requirements. In the event of noncompliance, sanctions will be applied to the Australian exporter, and may include imposition of conditions on subsequent export consignments or revocation of the export licence (DAFF 2011b, p. 1).

Prior to the approval of an export permit the exporter must obtain and provide evidence of supply chain control from the point of unloading of the vessel to the point of slaughter. Evidence must include documentation clearly outlining the relationship between the licensed exporter, importer, feedlot operator, abattoir operator and transporters in the overseas country, and the control method. The control process must be transparent and verifiable by an independent auditor (DAFF 2011b, p. 4).

Following the supply and processing of Australian cattle in Indonesia, the exporter is required to supply an end of processing report on the livestock. This is due after the last animal of the consignment is processed, or six months after the consignment was exported, whichever occurs first. The exporter is also required to provide an audit report to the Australian Quarantine and Inspection Service (AQIS) on the application of the system in practice. Currently there is a requirement that an independent audit be undertaken for the first five consignments that go through the supply chain. For consignments after this audits will be undertaken based on a risk-management approach.

7.2.3 The approach by other countries

The only country the Review was able to establish as having taken regulatory steps to obtain a level of assurance for the treatment of livestock during the post-arrival element of the supply chain was New Zealand.

In New Zealand the export of livestock (sheep, cattle, deer and goats) for slaughter is prohibited unless the risks to New Zealand's trade reputation can be adequately

managed. Individual consignments may be approved on a case-by-case basis at the discretion of the New Zealand Director-General of the Ministry of Agriculture and Forestry (MAF). Approval may be granted only if the Director-General judges that the risks can be adequately managed.

This decision has been implemented through the *Customs Exports Prohibition (Livestock for Slaughter) Order 2007* (revoked) and the *Customs Exports Prohibition (Livestock for Slaughter) Order 2010*.

Factors that the Director-General may take into account when considering an application for an exemption from a Customs Export Prohibition Order are:

- the export is for slaughter of livestock in commercial slaughter houses
- the importing country has requirements in place that meet the OIE slaughter standards
- cattle exported for slaughter must be stunned prior to slaughter in accordance with any of the methods described in the OIE Code
- the importing country has requirements in place that meet the OIE transport standards in relation to the unloading and post-journey handling and transport of livestock
- a pre-shipment audit of slaughter facilities by inspectors nominated by MAF, and carried out at the exporter's expense, demonstrates compliance with the above requirements.

Exporters are also required to provide an affidavit as to the purpose of export for all livestock exports.

Along with any other requirements the Director-General believes are necessary to maintain New Zealand's reputation as a responsible exporter of agricultural products, the Director-General may require a bilateral arrangement to be in place to support the requirements of importing countries. Experience with exporting livestock to that country may be considered in deciding whether to require a bilateral arrangement.

In accordance with the requirements of the *Animal Welfare Act 1999*, exporters also need to satisfy the Director-General as to the conditions for transport of livestock up until the point of disembarkation. If livestock are being transported by sea, this may require that a MAF-accredited veterinarian accompany the shipment, experienced stockpersons are on board and provision made for rapid disembarkation and, if required, quarantine.

In practice, New Zealand has not exported livestock for slaughter since 2005.

7.2.4 Identification and traceability

Animal identification and traceability are likely to be key elements in any future approach to providing assurance on animal welfare outcomes for Australian livestock exports.

The NLIS for cattle is Australia's system for identifying and tracking all cattle through their life. It is a permanent, whole-of-life identification system which aims to ensure that individual animals can be tracked from property of birth to slaughter for bio-security, food safety, product integrity and market access purposes (MLA 2011a).

The NLIS uses machine-readable, radio frequency identification devices (RFIDs) to identify cattle. An NLIS-approved device can be an ear tag or rumen bolus/ear tag combination. Each device contains a microchip encoded with a unique number linked to the property identification code (PIC) of the property of birth (MLA 2011b).

Although the use of the NLIS system is considered mandatory for cattle in Australia, exemptions currently apply to cattle in the Northern Territory and Western Australia that are born on a property and remain on that property until the time of their movement for the purpose of live export. The recent application of requirements that cattle being exported to Indonesia have individual animal identification raises issues which bear on the use of these exemptions.

The NLIS for sheep and goats is based on a visual tag and associated movement documentation – generally the National Vendor Declaration (NVD) is used. Sheep and managed goats must be identified with a NLIS (sheep) visual or RFID ear tag before they leave the property on which they were born. Exemptions to these conditions may apply for dairy, show and feral or unmanaged goats in some states. The traceability system is mob-based even though each animal is identified with a tag (MLA 2011c). This has implications for adoption of traceability requirements as part of any future regulatory arrangements applying to Australian animals offshore. Mandating individual identification requirements for exports where no analogous requirements exist domestically may also be inconsistent with World Trade Organization rules.

Traceability requirements currently exist to achieve both animal health and animal welfare outcomes in some of Australia's export markets including sheep to Saudi Arabia and cattle to Egypt, Israel and more recently Indonesia.

7.3 Current debate and issues raised in submissions to the Review

7.3.1 Overview

Australian community views are influenced by perceptions of the adequacy of mechanisms and procedures which affect the welfare of livestock.

There was strong debate in submissions about the design of a post-arrival management system. Suggestions included the formation of an industry–government body that would report to the government twice a year, or the establishment of new statutory body responsible for the design and enforcement of animal welfare standards.

There was an overwhelming view in submissions that any strategy to mitigate risks to animal welfare outside Australia should include a strong focus on monitoring and reporting, with traceability a key element.

7.3.2 Inherently high-risk trade

While there was general agreement in submissions with the Keniry Review conclusion that the live export trade was inherently high-risk, there were strongly conflicting views on potential management strategies which would lead to satisfactory outcomes and improve public confidence in the trade.

Submissions from animal welfare advocates argued that the welfare of livestock would always be compromised, especially if it were left to the discretion and implementation of industry:

> Voiceless does not believe that risk management strategies, such as those proposed by MLA [Meat and Livestock Australia], will address the welfare of animals exported from Australia. (Voiceless submission, p. 4)

In acknowledging the risks to animal welfare in the industry, one livestock producer stated:

> When dealing with any animal, no one can guarantee 100% that accidents will not happen. But we can put measures in place that will try and eliminate as many of these scenarios that we can, to get the best animal welfare outcome possible. (Extract 0714_27 name withheld submission, p. 3)

7.3.3 Managing risk off-shore

A majority of stakeholders suggested that all Australian cattle be slaughtered only through approved facilities which were monitored in one form or another.

While not advocating the continuation of the live export trade, an animal welfare organisation suggested that to address risk associated with variable slaughter practices:

> Mechanisms should be put in place which mandate the use of stunning pre-slaughter and which mandate the application of acceptable standards. (Animals Australia submission, p. 24)

The submission went on to elaborate:

> For slaughter, in our view the starting point should be the provisions (as they relate to transport, handling and pre-stun slaughter) in Grandin (2010). These provisions should also mandate the necessity for independent audit ... the obligation for compliance must be on the exporter and failure to comply should result in penalties being imposed on the exporter. (Animals Australia submission, p. 24)

Similarly, RSPCA Australia suggested:

… processing animals through 'closed/controlled systems' will reduce the risk to their welfare. (RSPCA Australia submission, p. 24)

Stakeholders viewed instituting a system of independent auditing for compliance to be an effective method to monitor animal welfare throughout the live export chain. In considering risk management through to the point of slaughter, the Australian Veterinary Association (AVA) recommended that the Consignment Risk Management Plan could be used by the Australian Government to enforce conditions on the exporter.

> …by including a requirement into the Consignment Risk Management Plan (CRMP) the Australian Government can mandate a closed loop system that could be implemented and independently audited to ensure exporter compliance. Further granting of Approved Export Programs (AEP) should become dependent on demonstrating there is no 'leakage' of animals from the closed loop system and electronically tracing animals from preparation of animals on farm in Australia to immediate post slaughter in the importing countries. (Australian Veterinary Association submission, p. 7)

Submissions revealed consensus on the importance of traceability to manage these risks. However, there was a strong divide on how to efficiently apply a tracing system across the species.

> The extension of the National Livestock Identification Scheme for cattle in the Indonesian market will improve traceability of cattle as they move through a closed loop supply chain and will prove useful as a risk management strategy... However, [author] urges extreme caution in extending compulsory NLIS across other species, unless tags are made a cost effective option for producers.' (Western Australian Farmers Federation submission, p. 5)

There was significant discussion on the option of accreditation of overseas markets, and particularly abattoirs, the identity of the accrediting body, and the risk of potential leakage from approved supply chains.

In addressing the issue of a framework which would develop the confidence of the Australian public, many submissions considered that a focus on education, training and facilities in importing countries would be an important component in any new risk management strategy.

Submissions on the appropriateness and implementation of strategies such as incentives, sanctions, sovereign protection options and mandatory stunning were diverse and raised significant issues in terms of imposing Australian standards onto other nations. These issues are explored further below.

7.4 The Review's considerations and findings

7.4.1 A global approach

In undertaking visits to importing countries the Review built an understanding of the various factors within importing countries that may impact on the welfare of Australian livestock and on how various regulatory models may be appropriate in different circumstances.

The Review approached its discussions overseas with an emphasis on the following general elements:

- The discussions needed to focus on animal welfare issues and other issues necessary for a sustainable trade.
- Ensuring that the Australian community has confidence that the welfare of livestock is being met is a key to ensuring that trade can be continued sustainably. A key element to provide assurance to the Australian community that the OIE standards are being met is demonstrably secure supply chains such that animals can be traced and their management audited.
- There should be a focus on animal welfare outcomes in order to recognise that good welfare can result from many different practical ways of managing animals.
- The complexities of other societies should be understood so as to devise arrangements tailored for the most effective management of supply chains in each importing country to deliver animal welfare outcomes.
- Transitional arrangements might vary according to country and other circumstances.

As noted in Chapter 6, because the Review was unable to visit all importing countries, the Report does not in general contain comment on the circumstances and practices encountered in particular countries.

A variety of circumstances was encountered across the range of countries visited:

- degree of government involvement
- existence and enforcement of animal welfare legislation/regulations
- impact of religious beliefs and cultural norms
- interaction of commercial interests and government
- commercial dynamics, for example structure of the supply chain, capacity of the elements in the chain, number of exporters and importers
- security within the chain/traceability
- likelihood of expansion of the chains
- development of different sorts of chains, for example linear supply versus branch structure
- extent to which the OIE standards are already applied in the countries and variations in practices whether consistent with the standards or not
- size of market
- quality of transport, feedlots, abattoirs and other facilities
- animal handling practices
- species imported from Australia
- periods of high demand, such as religious festivals

- current interventions regulating animal handling and slaughter facilities, practices and enforcement
- monitoring and reporting mechanisms.

The visits also demonstrated the following:

- A number of market dependencies have been created by the active pursuit of trade by participants both in Australia and importing countries. Australia is the major source of meat protein for some of these countries.
- The key principle for ongoing trade and assurance that animal welfare is provided for is use of the international welfare standards that all OIE countries have signed up to. This is not an Australian standard, but one that all OIE members were consulted on, had the opportunity to provide input into and agreed.
- In order to ensure that any new system can be sustained it is critical that the Australian Government improve its understanding of the market complexities in each country to ensure that the needs of both partners can be met.
- Evaluation of the range of dynamics encountered in different countries is essential.

The Review made a number of observations on reaction to the suspension of the trade with Indonesia. Importantly, there was a clear view in discussions in Indonesia that practices seen on the television program were unacceptable. More broadly, the suspension created concern in a number of countries, especially in countries highly dependent on Australian livestock imports, about the reliability of Australia as a supplier. Many interlocutors, in government and industry, expressed a keen wish to know what Australian Government requirements would emerge for the future conduct of the trade, and what would be necessary to meet these requirements.

The Review did not encounter any significant opposition in principle to the potential broader application, for all species and for exports to all countries, of the arrangements agreed in the case of cattle exports to Indonesia, with their emphasis on universally-agreed OIE standards and eschewal of an Australian regulatory reach overseas. Although the Indonesian model requires a level of Australian Government regulatory oversight, this is oversight of exporters as part of the conditions for granting of a licence. This places an onus on industry to ensure practices meet international standards at a minimum. The Review considers that placing this responsibility on industry is appropriate given they are the beneficiary of the continuance of the livestock export trade.

The approach developed for the Indonesia market, based on arrangements developed between industry and government, does not meet all the desiderata of animal welfare groups, whose position remains inter alia that live exports should be banned and that, to the extent they continue, should include pre-slaughter stunning. Nonetheless, consultations with a number of such groups revealed a view that the proposed approach would represent a considerable improvement from an animal welfare perspective; though a number of concerns remained, including that proposed checklists for use by auditors need to be clear and that auditors need to have sufficient training and expertise to assess adherence to the OIE standards. The Review agrees that these are important issues.

The Review did not examine in detail considerations relating to a possible ban on live exports, since the Australian Government has made clear that it is looking for advice on the conduct of a continuing trade in conditions which give assurances of animal welfare.

The Review also concluded that, unless it formed views that the approach newly implemented in Indonesia was flawed, there were substantial reasons in favour of pursuing that approach more broadly. Those reasons, in brief, were that in recent months the Australian community, producers, exporters and other stakeholders (as well as overseas governments and industry) have seen: in June, a suspension of cattle exports to Indonesia; in July, announcements of arrangements for resumption of those exports; in August, the resumption of shipments, and statements that Industry Government Working Groups would be making recommendations about extending the new arrangements applying in the case of Indonesia to other species and markets. In all these circumstances there appeared to be a strong case in the public interest for the view that further uncertainty and disruption were undesirable. That, of course, depended on the Review's findings in relation to the Indonesian arrangements.

In practice, on the basis of its discussions and site visits in importing countries, including in Indonesia with interlocutors with direct experience of the new arrangements in practice, the Review concludes that the principles and approaches developed for exports to Indonesia can and should be adopted for all markets that import Australian livestock for slaughter. The main elements of the approach – whole of supply chain control, traceability of animals, meeting OIE standards as a minimum and independent third party auditing – represent a coherent framework for ensuring animal welfare. They have also, in recent weeks, been shown to be workable, at least to the point of satisfying the Australian Government that export permits should be issued to several importers for exports to Indonesia.

The approach should apply to all species and all consignments, regardless of size. In some cases, this requirement could lead exporters to conclude on commercial grounds not to proceed with small consignments.

The supply chain approach implemented for Indonesia also recognises that conditions of supply chains within a country can vary considerably. This was evident during the visits the Review conducted to a number of markets. The advantage of an approach based on individual supply chains is the recognition that the welfare of animals can be assured in approved supply chains even where not all supply chains within a country meet OIE standards. It also allows for corrective actions to be taken within a single supply chain, thus ensuring good animal welfare outcomes at the same time as providing greater market surety.

The Review, among other elements of the proposed new approach, considered auditing arrangements. A central concern will be that those ISO-accredited companies conducting the audits have the skills necessary to reach judgements on the range of issues covered in the audit checklists, including detailed matters relating to slaughter techniques. Audit documents seen by the Review suggest prima facie that on-the-ground observations have been made and detailed judgements formed on the checklist issues; and the Secretary of the Department of Agriculture, Fisheries and Forestry (DAFF) has concluded that the audits provide a basis for agreeing to some export licences for

the Indonesian trade. As noted in Section 7.4.4 below, there will be a need for ongoing assessment of audit and all elements of the new approach and the extent to which they have in practice worked to deliver welfare outcomes.

The proposed new approach would be brought to bear on a range of differing market circumstances, differing levels of government regulation and enforcement, and differing practices relating to animal welfare. For some new markets, little might be known about these elements. At the other end of the spectrum, there are markets where there could well be a prima facie case for assuming that animal welfare outcomes would be satisfactory against the proposed criteria. Nonetheless, the arrangements proposed should apply initially to all supply chains. On the basis of experience with preliminary rounds of audits, the regulator may conclude that follow-up audits in some supply chains may be required less frequently, or that other variations may be warranted. Similarly, the Australian Government may come to differing views in relation to different markets on the scope of government-to-government interaction required; the need for engagement with industry on issues like improving welfare and training; and other issues.

The Review heard arguments that the arrangements developed in the case of exports of slaughter cattle to Indonesia could not be reproduced exactly in all circumstances. In particular, industry maintained that individual identification of sheep is not mandated domestically in Australia and could not be implemented in the export market, at least for the time being. The Review also received correspondence from the Victorian Department of Primary Industries which maintained that electronic NLIS (sheep) identification is a mature and affordable technology which could be introduced relatively quickly to track sheep and goats within the live export industry. The AVA also provided a submission to the Review arguing that the use of RFID tags has not proven to be cost-effective for commercial flocks, as there is rarely a need to identify individual sheep. The recommendation from the AVA was to utilise the current domestic identification system for sheep and use serial numbers/bar codes and identifying brands/names.

The Review understands that the question of identification and traceability was a particular focus for the Industry Government Working Group on Live Sheep and Goat Exports. The Review is open to the suggestion that the proposed approach to livestock exports can be applied with variations in different circumstances, provided that the elements of adherence to the OIE standards, accountability for animals, exporter supply chain assurance and independent auditing are maintained.

Accountability for sheep and goats could in principle be achieved without individual identification, provided that the exporter is able to report that a given number of animals left the farm gate and that the total number of animals which died in transit, in feedlots and the slaughter point equalled that original number. Nonetheless, individual animal identification is likely to provide the greatest level of assurance that animals are kept within a defined supply chain. This would be achieved at a greater cost to industry and for it to be practicable the domestic system would need to be developed first.

The Review understands that the NLIS (sheep and goats), based on visual tags, mobs and paper documentation, does not currently enable tracing of animals to the Standard

required in the National Traceability Performance Standards. As previously mentioned for cattle the NLIS system is more mature and uses RFIDs for individual animal identification. However, there are currently gaps in the system with the exemptions in the NT and WA. The Review understands that there are processes underway to examine the current exemptions for all these species and the feasibility of introducing RFIDs for sheep and goats to meet identified gaps in this system. The limitations of the current systems need to be addressed as a priority and the current rate of progress appears to be less than optimal.

An issue that drew the attention of the Review is the existence of a significant flock of merinos born and raised in Middle East countries, including Bahrain, Jordan and Kuwait. Unlike other breeds that are commonly found in these countries the merino flock is effectively indistinguishable from imported Australian sheep. There is the potential for these overseas-born merinos to be mistakenly described as Australian imported livestock. The same phenomenon was observed in the case of Brahman cattle born in Indonesia. It may well occur in other markets. This underlines the importance of sound animal identification and traceability systems for exported Australian livestock.

Recommendation

The Review recommends that the Australian Government should work with states and territories and industry to implement individual identification of all sheep and goats as soon as practicable.

As a priority, current exemptions applying to export cattle from the Northern Territory and Western Australia should be removed.

During stakeholder consultations, the potential for companies to describe livestock destined for slaughter as being destined for use as breeders was raised as a possible means to circumvent any new controls enacted for feeder/slaughter cattle. The Review understands that health protocols in place in importing countries require significantly costlier health treatments for breeder than for feeder/slaughter animals. There are no additional processes to assure the Australian Government that animals certified as breeder livestock are actually used for this purpose post-arrival. While in theory there might be opportunities to substitute feeder/slaughter type animals as breeder animals, the increased cost of preparing breeder animals would be a disincentive to substitute. There should, of course, be zero tolerance of any attempt to circumvent new controls.

The MLA/LiveCorp submission to the Review noted that in some markets there may be problems with slaughter capacity in abattoirs at festival periods; and that there may be difficulties in some countries in securing access by third party auditors to all facilities. The submission commented that:

> The stark reality is that the industry is unlikely to be able to continue to supply large portions of some key markets under the new arrangements. (MLA and Livecorp joint submission, p. 66)

In addition to these considerations, in a number of markets there has been a pattern of livestock being removed from supply chains for sales to individuals, farmers or small abattoirs. Overall, under current arrangements, there are a number of possibilities for removal of livestock from the supply chain.

MLA has done some work to develop understanding in the Middle East markets that Australian livestock should not be sold out of supply chains. Furthermore, there was already an understanding on the part of many of the Review's overseas interlocutors that livestock would not be able to leave the approved supply chain in future arrangements. In cases where this cannot be assured, including by the proposed third party independent auditor, the Review concludes that there can be no assurance of animal welfare and that the regulator should determine that the conditions for granting an export licence cannot be satisfied.

As noted in Chapter 6, there was a view in some submissions to the Review that stunning should be a mandatory requirement in any new arrangement. The Review took into account a number of factors which emerged during its consultations and visits:

- Stunning, done correctly, has definite animal welfare benefits.
- Stunning was performed well in some places observed by the Review, and badly in others.
- Stunning is not mandated in the OIE standards and its use varies from country to country and within countries.
- In importing countries with Islamic controls of one sort or another on handling and slaughter of animals, there is a range of views on stunning; it is standard in some supply chains, it is not permitted in some countries and it is permitted and optional in some countries.
- There are political and other sensitivities in a number of countries (including countries where stunning is permitted) about suggestions that Australia might seek to impose standards on other countries.
- Australia cannot regulate extraterritorially.
- Moves to impose stunning could be expected to lead to disruption of trade with some countries.
- There was evidence in some countries of an openness to the concept of wider use of stunning or consideration of post-cut stunning.
- There is scope for Australia to pursue, in OIE and more broadly, improvements to the OIE standards and practices (e.g. checklists) suggested by the development of the new approach to exports to Indonesia.

These factors do not all pull in the one direction. Nonetheless, against the background of recent implications for communities and industry of the disruption to the export trade to Indonesia, and the Australian Government's wish to create conditions for a sustainable livestock export trade with assurances of animal welfare, the Review does not agree that stunning should be mandatory for livestock exports. It does believe that

the Australian Government and industry should take steps, as has already happened in Indonesia, to promote good animal welfare practices. This will not succeed if handled insensitively or with any sense of imposing Australian or 'higher' values or standards. It can succeed, in some countries and at differing rates, if handled adroitly.

Finding

There is a need for predictability and certainty of policy – for Australian producers and industry and for overseas industry, consumers and governments. This is especially important for some importing countries which are heavily reliant on imports of Australian livestock for food security and social harmony.

Finding

Overall, there is considerable support for an approach to all exports of feeder and slaughter livestock, which has the following elements: all elements of the supply chain must meet OIE standards as a minimum; animals entering a supply chain must be accounted for; there should be independent third party assessment of each supply chain; and the exporter must demonstrate whole of supply chain control enabling accounting for animals and ensuring treatment according to OIE standards. There are species-by-species and market-by-market circumstances which will affect the means of achieving that assurance for animals from the farm gate to the point of slaughter.

Finding

In a number of export markets, there has been a traditional issue with livestock being removed from supply chains via sales to individuals or businesses and slaughtered in unknown circumstances or via sales to farms for breeding purposes. Steps to stop this leakage, which is inconsistent with assurance of animal welfare, must be part of proposed new arrangements. In the immediate future, industry should continue its efforts to prevent leakage.

Finding

In numbers of overseas countries, there are locally-born animals (e.g. merinos) which could be mistaken for Australian-born and exported livestock. This reinforces the importance of traceability of and accounting for Australian livestock.

7.4.2 A phased-in approach

A number of issues need to be considered in implementing or extending a regulatory framework in other markets associated with the live export industry. Of importance is the ability of government to achieve the balance between implementing the systems to achieve the desired animal welfare outcomes as quickly as possible and providing industry with sufficient time to make the necessary changes. Although the approach recommended puts a heavy emphasis on exporters to ensure the necessary assurances are in place, producers, importers, feedlots and slaughterhouses in importing countries are clearly affected. Consultation with importing governments also needs to occur.

The principles that need to be considered in formulating the most efficient and effective approach to implementing the regulatory changes include minimising disruption to the trade and ensuring the long-term sustainability of the regulatory framework.

Major disruptions to the trade can have significant economic and social impacts on communities and the industry within Australia. Many of these were felt during the suspension of cattle exports to Indonesia. Food security is also of particular concern for countries which import Australian livestock. Disruption to the trade brings into question Australia's ability to meet demands not only in livestock exports but also other key commodities.

In taking these issues into account the Review considered the most effective approach would be a phased introduction of the new arrangements by the end of 2012.

The current distribution of the livestock export trade shows that a relatively small number of markets account for the majority of Australian exports in terms of volume. These markets should be included in the first, very early, phase of applying the new process, along with other markets which may hold particular significance or where special circumstances may apply. Subsequent phases would move the focus to smaller markets that make up the remaining volume of the trade and those markets which import small numbers of livestock on an irregular basis. Any proposed exports to new markets should be subject to the proposed arrangements with immediate effect.

This approach would allow both government and industry to focus available resources on specific markets during established timeframes to ensure that measures which are put in place to meet the requirements are both effective and sustainable.

There is a need for industry to take interim steps in all markets to prepare for the introduction of the new arrangements. Industry should, as a particular priority, continue its efforts to prevent leakage from supply chains. Industry should also, to the extent known and possible in the interim period, endeavour to prevent sales of livestock in circumstances where handling and slaughter practice fall well short of meeting OIE standards.

Although the Review did not seek specific legal advice on the international trade law aspects of the proposed approach it would be prudent for the Australian Government to give this issue detailed consideration to ensure Australia continues to meet its international trade obligations under multilateral, bilateral and regional trade agreements.

Recommendation

The Review recommends that the Australian Government, on the basis of its recent decisions, the recommendations in this Review and recommendations by Industry Government Working Groups, set out a clear statement of its intended policy and operational approaches to the livestock export industry, emphasising the elements of sustainability of trade and assurance of animal welfare for exported Australian livestock.

Recommendation

The Review recommends that the approach developed for the export of feeder and slaughter livestock to Indonesia should be developed for all supply chains (that is, all markets and all species of feeder and slaughter livestock), with variations which might be necessary to take account of different species or market circumstances. The minimum requirements should be that all elements of the supply chain must meet, at a minimum, the OIE standards; that animals entering a supply chain must be accounted for; that there be independent third party assessment of each supply chain; and that the exporter demonstrate whole of supply chain control, enabling accounting for animals and ensuring treatment according to OIE standards.

In implementing the new arrangements, the Australian Government should set a timeframe which will take account of the following elements:

a. There should be consultation with foreign governments.

b. There should be consultation with Australian industry.

c. There should be a clear articulation of regulatory mechanisms, expectations and requirements.

d. The process should be completed for all supply chains by the end of 2012.

e. The process should set out priorities for attention, beginning with the largest markets or others with special circumstances; any proposed exports to new markets should be subject to the proposed arrangements with immediate effect.

f. There should be no interruption of trade in the meantime.

Recommendation

The Review recommends that industry should make its own plans to move to arrangements consistent with the proposed approach and do so to the extent possible before the onset of transition timeframes established by the Australian Government. The prevention of leakage from supply chains should be a particular priority in the immediate future.

7.4.3 Government knowledge of and engagement with overseas markets

One of the Review's early actions was to gather available information on animal welfare legislation, policies and practices (including implementation/enforcement) in all markets, drawing on government and industry sources. The Review subsequently sought to validate this information in countries it visited as well as seeking to fill any initial information gaps.

As a general observation, the Review found that a great deal of information is available on the links in the supply chain relating to Australia and sea/air transport overseas. This reflects both the regulatory role of the Commonwealth and state/territory governments in those parts of the supply chain.

By contrast, the information available about laws, regulations, practices and risks overseas was much less comprehensive. Industry was able to fill these gaps in some cases, but not all.

The Review found that in many instances there was only limited information available on the:

- commercial supply chains for Australian livestock
- regulatory frameworks applying to the handling and slaughter of livestock and their application and enforcement
- facilities, treatment, handling and slaughter of livestock.

The lack of detailed information on processes and practices in importing markets may be partly explained by the fact that with the exception of exports of feeder and slaughter cattle to Egypt and Indonesia, the current regulatory framework for the Australian live trade finishes at point of disembarkation, and by the commercial nature of the trade whereby the ownership of livestock is usually transferred to the importer at the point of loading or disembarkation.

The Australian Government is reliant on industry for much of its information on conditions in importing countries. The government also receives information from time to time from animal welfare organisations concerned about the treatment of livestock in importing countries.

As part of the recent development of a new regulatory approach to exports to Indonesia and examination of possible expansion to other markets and species, the Australian Government and industry have sought to develop a deeper understanding of supply chains and the operating environment in importing markets.

Implementation of the new approach in a range of markets, and in respect of all species, will require an examination by DAFF/AQIS of its resourcing, information and other requirements. As noted, these requirements may well develop and change as the new arrangements are progressively rolled out. As DAFF/AQIS examines these requirements in relation to the overseas elements of the supply chain it would be

sensible to address issues, identified in Chapter 3, in relation to service delivery and regulation in the domestic elements of the supply chain.

In the future, the proposed new arrangements would not extend Australia's regulatory reach overseas. This is appropriate. The approach, instead, places an onus on the exporter to satisfy the regulator on a range of matters before an export licence will be granted. It is a moot point whether DAFF/AQIS, in its role as a regulator, needs a better understanding of overseas conditions. Experience with the new arrangements should be used on a continuing basis to assess that issue.

The department, in its role as a provider of advice to the Australian Government, certainly does need to have an improved understanding, on a continuing basis, of circumstances and important issues in overseas markets. The department needs to form its own assessments and advice so it is able to advise government and, to the extent possible, avoid surprises.

In addition to taking steps to inform itself about overseas markets, the department has in recent months held consultations with a range of foreign governments on issues relating to the livestock export trade and animal welfare issues. Given the sensitivities and concerns the Review observed overseas on issues like sovereignty and food security, it seems highly desirable that the department continue these consultations, working closely with the Department of Foreign Affairs and Trade. In the immediate future these contacts would, at a minimum, require an explanation of the Australian Government's new approach and a discussion of how that would apply to each market. The department would also need to continue its contacts to the extent it judges necessary to position itself to offer advice to government over time.

The Review does not think it is necessary to station more DAFF counsellors overseas for such purposes. This would be unnecessarily costly. Instead, there is a range of options with costs proportionate to the need. These could include visits to markets one or more times per annum for consultations with government, industry and others as well as site visits; or use, or wider use, of bilateral working groups. The exact modalities would be a matter for management decision.

In terms of government-to-government dealings, the Review considered whether MoUs should be replicated in additional countries along the lines of those discussed in Section 7.2.1; or whether additional elements should be sought for inclusion in existing MoUs on the introduction of the proposed new arrangements. DAFF will need to keep an open mind on the issue of additional MoUs, especially if it perceives potential need in new markets for assurances on animal disembarkation of the type which are central to the existing MoUs. Otherwise there is no need for a single approach on the issue of MoUs. Negotiating MoUs can be very time-consuming; and the Indonesian experience so far suggests that a formal MoU will not be necessary or appropriate in all cases. On the other hand, some importing countries might have their own reasons for proposing an MoU or other agreement – preferred ways of doing business, assurances for food security or other. Overall a case-by-case approach will be necessary.

Finding

The Australian Government and industry do not have a full understanding of conditions, regulations and practices in livestock importing countries. An improved understanding, and in some cases continuing engagement with overseas governments and markets, will be necessary, initially to establish understandings on the implementation of the proposed new arrangements, and on a continuing basis to position DAFF to offer policy advice.

Recommendation

The Review recommends that:

- DAFF/AQIS should examine resourcing, information and other requirements necessary for the efficient discharge of policy advice, regulatory and other responsibilities in relation to the overseas elements of the supply chain.
- DAFF/AQIS should also review issues identified in the Review in relation to service delivery and regulation in the domestic elements of the supply chain.

7.4.4 Assessment of results and follow-up

The experience of recent years suggests that sustainability of the live export trade will require ongoing attention and activity by industry and government. This is not a 'set and forget' industry.

As noted above, there is widespread support for the concept of widening to all export markets the principles and approaches developed in the case of cattle exports to Indonesia.

It will be important, especially in the early stages of introducing the new arrangements, to assess the extent to which the proposed arrangements have worked in practice to deliver animal welfare outcomes.

Such assessments, which should be ongoing, could include consideration of suggestions for variations to checklists (the Review understands this has already been discussed in the Industry Government Working Groups), or to other species-specific or market-specific requirements. There could be a need to develop or more clearly articulate views on the regime (including sanctions) to be followed if elements of a supply chain are found to be working below the expected standard. These assessments should also form the basis for reporting to the Australian Parliament and people.

Finding

It will be necessary for the Australian Government to assess the extent to which the proposed arrangements have worked to deliver animal welfare outcomes. This assessment should be made available to the Australian Parliament and people.

Recommendation

The Review recommends that, on the basis of experience during the implementation of the new arrangements, the Australian Government should if necessary refine the requirements. It should report to the Australian Parliament by June 2013, outlining initial experience and making judgements about the effectiveness of the approach in delivering animal welfare outcomes and facilitating trade.

7.4.5 Capacity building

The Review has made observations around the willingness of governments and businesses to make improvements to facilities and practices in importing countries.

Industry and governments in some countries raised with the Review the need for assistance by the Australian Government and industry with translation to any new regulatory framework. Some noted that Australian industry had been active in seeking to improve standards in the Middle East and South-East Asia for some years.

The Australian Government has also provided funds for capacity building since 2004–05. This was done first through LATP, an initiative developed as part of the Australian Government's response to the Keniry Review, and then through LTAWP which is a program co-funded by the government and the live export industry. LTAWP is due to expire on 30 June 2012.

LTAWP funds projects which aim to provide improved animal welfare outcomes in the handling, transport and processing of livestock in Australia's export markets.

Projects are assessed for funding by a joint industry–government advisory committee and suitable projects are recommended to the Minister for Agriculture, Fisheries and Forestry for approval.

LTAWP has an allocated budget of $3.2 million over three years, comprising $1.6 million in Commonwealth funding and $1.6 million in matching contributions from the Australian live export industry. Projects supported under LTAWP and its predecessor, LATP, were intended to improve animal welfare by delivering improvements on

traditional slaughter practices, with the end aim of supporting trading partners to adopt and implement OIE animal welfare standards (DAFF 2011a).

Examples of the projects include (DAFF 2011a):

- Infrastructure upgrades at Kuala Lumpur International Airport to allow faster discharge of goats from export crates to holding yards and onto trucks.
- Delivery of animal handling training for Indonesian abattoir workers, including procedures for restraining and slaughtering animals.
- Delivery of targeted training for animal handlers in Bahrain, Dubai, Kuwait and Qatar in port discharge, feedlot receival, land transportation, ruminant nutrition, abattoir development and animal welfare training and awareness.
- Infrastructure upgrades in two abattoirs in Kuwait, including the construction of new yards, races, ramps and tables.

In addition to the LTAWP, DAFF has a small ongoing program of support for International Agricultural Cooperation (IAC) where projects can compete on their merits to receive support to facilitate trade. The live animal export trade can be included within this program. Funding under the IAC is already used to complement LTAWP funding. Future animal welfare projects could compete on their merits under the program after the LTAWP existing funding ceases in June 2012.

The Review also notes that there is scope for third parties to provide capacity building and positive engagement within importing countries. The AVA expressed an interest in providing further professional engagement and capacity building, for example with the Indonesian Veterinary Medical Association.

The Review notes that the environment in which the live export trade is conducted has changed dramatically over the last few months. Industry understands that a process of gradual improvement will no longer be practical given that minimum acceptable standards (i.e. the OIE standards) are to be ensured for the operation of a supply chain. There may well be an argument that any Australian assistance should be applied more broadly than in approved supply chains, as part of efforts to improve conditions more generally for animal welfare in importing countries. A complication with this argument is that it could render the government and industry liable to observations that they were offering assistance to sub-standard operations.

Industry will continue to be the main commercial beneficiaries of continuing trade in livestock and these parties should continue to bear the main financial burden of ensuring supply chains meet appropriate requirements. However, the Australian Government continues to have a role, alone or in cooperation with industry, to assist trading partners in the transitional period for the introduction of the new requirements, or on an ongoing basis as appropriate.

As discussed previously, the Australian Government has had a strong role in the international adoption and implementation of OIE standards, including on animal welfare. It needs to continue to play a strong role in the OIE on animal welfare issues, as discussed in Chapter 6.

The Review notes that in addition to engagement through the OIE, there are a number of bilateral and regional agreements which may provide a context for the provision of further Australian funding in ways conducive to significant improvements in animal welfare. This would sit well, for example, with the references in the ASEAN–Australia–New Zealand Free Trade Agreement to capacity building in areas like agriculture. The Australian Government may also need to be in a position to engage positively in discussions of capacity building issues in future arrangements such as the Indonesia–Australia Comprehensive Economic Partnership Agreement.

As background to such discussions, the Review noted that a number of countries currently importing Australian livestock are eligible for Australian Official Development Assistance (ODA). These countries include: China, Egypt, Indonesia, Jordan, Libya, Malaysia, Oman, Pakistan, the Philippines, Thailand, and Turkey. A number of key export markets, including Bahrain, Israel, Japan, Kuwait and Saudi Arabia, are not ODA-eligible (OECD 2011).

Finding

The activities of MLA, and the operation of the LTAWP, have led to improvements in a number of markets in facilities, training and management approaches. There is an expectation in some countries of continued or expanded capacity building assistance from Australia. This will require consideration by the Australian Government.

8 Other matters

8.1 Export of breeder livestock and companion and zoo animals

The Review's Terms of Reference focused on examining arrangements for the export of Australian feeder or slaughter livestock. Notwithstanding this, the end treatment of Australian animals exported for breeding and other non-slaughter purposes was an issue raised in consultations by some international and domestic stakeholders. In some cases, concerns were expressed about the ultimate fate of animals such as dairy cows or breeder cattle at the end of their productive life.

Companion animals (e.g. dogs, cats and birds), horses and zoo animals are exported from Australia to a wide range of countries. The Review did not consider issues associated with the export of these animals, which are not classified as livestock, but noted that existing requirements (including importing animal health requirements) applied for these exports incorporate animal welfare considerations. For example, requirements for the export of koalas necessitate the provision of detailed information on feeding, transportation and specialist care arrangements before export is permitted.

8.1.1 Current arrangements for breeder livestock

There is a considerable variation in importing country requirements for livestock export preparation, vaccination, treatments and testing. These requirements also differ depending on the purpose of the livestock imports.

Typically importing country health protocols for feeder/slaughter livestock require animals to be healthy and free from disease, vaccinated against specific diseases (e.g. clostridial diseases and leptospirosis), treated with 'systemic pour-on' for ectoparasites and treated with an approved anthelmintic for endoparasites.

Health protocols for breeder cattle are usually more comprehensive than comparative feeder/slaughter protocols. They require the same vaccinations and treatment for parasites as well as longer periods of pre-export quarantine because these animals are to be included into the importing country's herd and therefore pose a greater biosecurity risk. Testing for disease, may include, for example, tests for bluetongue, paratuberculosis, akabane, infectious bovine rhinotracheitis, bovine viral diarrhoea and enzootic bovine leucosis.

A similar variation exists for sheep exported for slaughter or for breeding. Essentially sheep for slaughter are required to be examined prior to loading for export and found to be free from evidence of disease and external parasites and fit to travel. Breeder sheep may be subjected to further testing for disease, for example paratuberculosis and bluetongue.

The export approval process for these animals within the Australian Government is similar to that applied for feeder/slaughter livestock, including issue of a Notice of Intention/Consignment Risk Management Plan and granting of an export permit.

Responsibility by Australian parties for breeder or production livestock terminates at the port of disembarkation. Consequently, little formal information has been acquired by government about supply chains, end destination and long-term treatment of the breeder livestock; although in some instances (e.g. Russia) industry and government contacts were able to provide information on a number of sites to which Australian cattle have been sent.

8.1.2 The applicability of additional controls to breeder livestock

There is no substantial development of views within government on the issue of eventual slaughter of breeder livestock. There seems to be a need for such a view to be developed, given signs of interest in this issue.

Although not formally articulated, there appear to be different points of view from industry and animal welfare advocates as to whether the welfare of such livestock remains an Australian responsibility. The view of industry, to the extent to which this has been tested by the Review, appears to be that breeders should be exempt from additional controls beyond the point of disembarkation. Some animal welfare advocates have stated that despite the length of time resident in the country of destination, there are concerns about the method of slaughter in markets that accept Australian breeder livestock.

There is a threshold question of when animals intended to be integrated into an importing country's livestock population lose their 'Australian' identity. From an animal health viewpoint, it can be argued that Australian livestock acquire the animal health status of the country of destination at the time of their arrival in that country. This is particularly an issue where the animal health status of the destination country is different from Australia's. For example, foot-and-mouth disease is endemic in China and Russia.

An additional consideration is that breeder animals are different classes of animals from feeder/slaughter livestock, and exported for different purposes:

- They are inherently more expensive animals.
- They are intended to improve the productivity and genetic pool of livestock in the importing country. To maximise returns from the initial investment, a breeder will need to produce a number of offspring during its life.
- Breeder livestock are often sent to different markets from feeder/slaughter livestock. For example, China, Mexico and Russia are three major markets for breeder cattle. Very few slaughter cattle are sent to these markets.

The Review has not been able to establish in the time available that any other livestock exporting country looks to the welfare of breeders beyond the port of disembarkation.

There are practical difficulties with the extension to breeders of the new arrangements to be utilised for feeder/slaughter livestock. It would be difficult, costly and intrusive for the Australian Government/industry to maintain a 'line of sight' arrangement for breeders, particularly over the many years that breeders may live prior to being sold for

slaughter. The Review does not believe that it is practicable or reasonable to impose that requirement on regulators or industry. It accepts, however, that there are other views on this matter.

The Review considers that a position on the question whether there is a need for any additional conditions for the trade in breeder livestock species should be enunciated by the Australian Government to give clarity to the Australian public and industry.

Recommendation

The Review recommends that the Australian Government should articulate an approach to the question whether there is a need for any additional conditions for the export trade in breeder livestock.

Appendix A
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Appendix B
Terms of reference for the Review

The terms of reference for the Independent Review of Australia's Livestock Export Trade are to examine:

a) the facilities, treatment, handling and slaughter of livestock, exported from Australia, in the importing country for consistency with the World Organisation for Animal Health (OIE) recommendations and standards set out in *Terrestrial Animal Health Code* (2010) published by the World Organisation for Animal Health and other relevant standards

b) the adequacy of the Australian Standards for the Export of Livestock (ASEL) as they apply to the preparation and export of all livestock with consideration of responsibilities for compliance and enforcement of the ASEL

c) the adequacy and effectiveness of current Australian regulatory arrangements for the live export trade

d) the types of livestock suitable (weight, age, body condition, breeds) for export as feeder or slaughter animals

e) the extent of monitoring required for each export consignment of feeder or slaughter livestock, in a manner that ensures accurate and transparent reporting to the Australian Government of the condition of the livestock from departure from Australia up to and including the point of slaughter in the country of destination

f) the risk management strategies necessary to address the welfare of animals from departure from Australia, up to and including the point of slaughter in the country of destination

g) other matters relevant to these terms of reference that the reviewer considers appropriate.

Appendix C
Interim report

Independent Livestock Export Review

GPO Box 858
CANBERRA ACT 2601

29 July 2011

Senator the Hon. Joe Ludwig
Minister for Agriculture, Fisheries and Forestry
Parliament House
CANBERRA ACT 2600

Dear Minister

Following my appointment to undertake an Independent Review of Australia's Livestock Export Trade (the Review) I was asked to provide you with an interim report on progress by 29 July 2011.

In commencing this Review I considered it essential to engage independent experts to provide technical assistance to the Review in addressing its terms of reference. To this end, the services of Professor David Mellor and Dr Robin Vandegraaff were secured.

Professor Mellor is internationally recognised as an expert in animal welfare and slaughter, is co-director of Massey University's Animal Welfare Science and Bioethics Centre and was a member of the ad hoc group that developed the World Organisation for Animal health (OIE) slaughter guidelines. Professor Mellor is providing advice and assistance to the Review on international animal welfare standards, livestock handling and slaughter practices.

Dr Vandegraaff was formerly the Chief Veterinary Officer for South Australia and is a former member of the National Consultative Committee on Animal Welfare and the Australian Animal Welfare Strategy Advisory Committee. Dr Vandegraaff is providing advice and assistance to the Review on the domestic component of Australia's livestock export supply chain, sea transport issues and Australia's regulatory framework.

The Secretary of the Department of Agriculture, Fisheries and Forestry has provided the Review with a high level of support through the establishment of a well-resourced secretariat. The role of the secretariat to date has included conducting research, liaising with stakeholders, arranging the logistics associated with the Review's operations and analysing submissions.

Overall, I am satisfied that the Review has the support and advice it needs.

The focus of the Review to date has been to engage with domestic and international stakeholders to inform its understanding of major issues relevant to the Terms of Reference. The Review will be looking to make comments in its final report on the basis of consultations, comments in submissions and the Review's own observations, analysis and judgement.

The Review has held a series of meetings with key stakeholder organisations, including animal welfare groups, peak industry bodies, other industry members and state and territory governments. The Review has travelled to the Northern Territory, Queensland and throughout

1

Western Australia to meet stakeholders and view different elements of the live export supply chain. Travel to the southern states in August is being planned.

The Review has also travelled to the Middle East region and Turkey to meet government representatives and trading partner companies, and visit facilities in six countries which import Australian livestock. These meetings and on-site visits to ports, feedlots and slaughter operations have allowed the Review to gain an understanding of the practical operation of the supply chains in these countries for imported Australian livestock and the related animal welfare practices.

Further travel to a number of key livestock importing countries in the South East Asian region will occur next month, with the Review scheduled to meet government and industry stakeholders and view supply chains.

A call for public submissions to the Review was made, with a 15 July deadline, and over 530 submissions were received from stakeholder groups, domestic and international governments and members of the public. As might be expected, a wide range of views was expressed in submissions against the Review's terms of reference.

With the exception of the major animal welfare organisations, many of the respondents who expressed specific concern about animal welfare did not provide first-hand information, or knowledge gained from personal experience, but described what they had seen on the Four Corners program, or reiterated material provided by the major animal welfare organisations on their websites or in their reports. The major animal welfare organisations provided information that was based on first-hand observations, academic material and reports. Many of the industry stakeholders, and particularly cattle producers and other people involved in the livestock export industry, provided first-hand information, from practices on their own properties, in their own Australia-based businesses, or from experience visiting or working in overseas markets.

Comments associated with the application of OIE animal welfare standards were broadly based on two perspectives and came from industry stakeholders and animal welfare advocates respectively:

- those which stated the standards were being adequately addressed in the majority of abattoirs which handle Australian animals; and
- those which stated the standards were below Australia's animal welfare standards and were not being adhered to or enforced.

Responses in the submissions relating to the adequacy and effectiveness of the Australian Standards for the Export of Livestock (ASEL) and the current Australian regulatory arrangements for the live export trade were polarised into two general positions. The position held by industry stakeholders was that the current standards and regulations were adequate or more than adequate (and, in the view of some, excessively burdensome). There was also recognition by many industry stakeholders that some areas could be further enhanced and the standards and regulatory framework should be subject to ongoing review to allow for continuous improvement. The position held by animal welfare advocates was that the standards and regulations were both inadequate and unenforceable. In particular a number of concerns were raised in relation to the adequacy of the standards as they apply to livestock transport vessels and Australia's inability to enforce regulations once animals leave our shores.

Information was provided in submissions on the suitability for export of specific livestock or breeds, along with other physiological criteria such as body weight, health and pregnancy status. A number of submissions also addressed drivers of stock selection such as government regulation through ASEL, market demand and environmental constraints.

A broad range of views was provided in submissions in relation to the monitoring of consignments and the risk management strategies necessary to address the welfare of animals.

A number of criticisms were raised that current monitoring arrangements were ineffective because of the absence of enforceable standards, and resource constraints on state and territory governments. There were expressions of opinion that an intrinsic conflict of interest with reporting arrangements for sea shipments clouds their transparency and accuracy. Many submissions recognised the difficulties associated with implementing a robust monitoring system that reports on practices undertaken in other countries. Some of the issues identified included the limitations on the responsibilities of exporters and the complexity of the supply chain up to the point of slaughter. Both industry stakeholders and animal welfare advocates submitted that the live export industry was inherently a high-risk enterprise. A number of submissions argued that it was impossible for Australia to implement strategies that would minimise the risks that arise in importing countries and the only way to achieve acceptable animal welfare outcomes was for animals to be slaughtered humanely close to the point of production in Australia and under Australian law. The most common suggestion for minimising the risks associated with the trade was to implement an independent auditing system to ensure compliance. Other mechanisms that were proposed included improving the capability of tracking animals to the point of slaughter and increasing the level of capacity building and education provided to importing countries.

The Review is intensively analysing submissions and further work will be undertaken in coming weeks testing issues raised by stakeholders.

As you are aware, the Review is operating concurrently with a number of other processes examining similar issues. The Senate Standing Committee on Rural Affairs and Transport Inquiry into Animal Welfare Standards in Australia's Live Export Markets, the Industry-Government Working Group on Live Animal Exports (cattle) and the Industry-Government Working Group on Live Sheep and Goat Exports are all considering issues related to the live export industry. Over the next month, the Review will be looking at many of the same issues as these other processes.

By comparison with the circumstances which apply to most reviews commissioned by government, an unusual dynamic is at work here. For understandable reasons, the government has in recent weeks enunciated principles and approaches in relation to the export of live cattle to Indonesia. These bear in substantial ways on matters which the Review is charged with examining. In the circumstances, part of the approach the Review is adopting is to assess whether principles and approaches which have been developed quickly and in relation to one market have wider value in all markets – with or without variations.

In accordance with this approach, the Review has noted the government's statements made to date on live exports and has examined the following principles and approaches developed by the Industry-Government Working Group on Live Animal Exports relating to the export of feeder (slaughter) cattle to Indonesia:

- *Exporter evidence of whole of supply chain control – an exporter, through its commercial relationships, must be able to demonstrate that the animals in a consignment are in a controlled supply chain during transport from port of arrival to feedlot, while in the feedlot, during transport from feedlot to abattoir, while in the holding yards and throughout the slaughter process. This will entail the ability to identify and account for all animals in a consignment, to reconcile and report on animal*

identifications, and to ensure their treatment according to internationally accepted animal welfare standards.

- *Traceability of animals – all animals in an export consignment must be individually identifiable and able to be located at any point along the export supply chain from the Australian registered premises through to the overseas abattoir. The system of identification is at the discretion of the exporter but it must enable identification of individual animals; allow for the reconciliation of animals at each point of the supply chain; and be capable of providing reports on individual animals and for consignments as a whole.*

- *Consistency with international animal welfare standards – all elements of the supply chain must meet, at a minimum, the standards established by consensus of the World Organisation for Animal Health (OIE). These will be operationalised in a checklist titled "Guidance on meeting OIE animal welfare standards" developed by the Department of Agriculture, Fisheries and Forestry (the "animal welfare checklist").*

- *Exporter engagement of independent third party assessment of the controlled supply chain – the exporter must provide assurance that animals are in the controlled supply chain; that the supply chain complies, at a minimum, with the animal welfare checklist; and that there is an appropriate system for the reconciliation of exported animals throughout the supply chain and for performance monitoring. This assurance will be:*

  - *Independent;*
  - *Evidence based;*
  - *Transparent;*
  - *Impartial, ethical and professional;*
  - *Consistent with international audit standards; and*
  - *Conducted by qualified and experienced independent auditors.*

The Review has taken the opportunity to sound out views on these principles and approaches with stakeholders and will continue this as part of its further enquiries.

The Review is not yet in a position to form judgements about many of the issues relating to its Terms of Reference. Nonetheless, I make a number of preliminary observations based on our initial work. Some of the points made will, of course, be familiar to you.

First, some general observations:

- While not covered in its Terms of Reference, the very significant economic and social impacts of the livestock export trade on Australian communities were evident in many of the Review's consultations.

- It was clear also that, in some importing countries visited by the Review, livestock imports are viewed as a critical component of food security and, indeed, community stability and well-being.

- Very substantial investments have been made, and more are contemplated, in infrastructure, transport and facilities associated with all phases of the live export trade.

- The Review observed a recognition by many people involved in the industry, both in Australia and overseas, as well as by some overseas government representatives, that the environment in which the trade is conducted has changed dramatically over the past two months. There is an expectation that new approaches, introduced initially in the case of the

trade to Indonesia, are to be expected throughout the trade, potentially with variations to take account of differing circumstances with different breeds or in different markets. This has occasioned a lot of serious rethinking, development of suggestions for change, and in some quarters, concern. The Review encountered a general readiness on the part of Australian and foreign industry to make changes necessary to comply with the emerging principles for conduct of the trade, though there is a concern also about potential extra regulatory burden and costs. A constructive disposition was evident in consultations with governments in countries visited.

- In assessing issues in supply chains, particularly after disembarkation and through to the point of slaughter, the Review observed that the government and industry do not have comprehensive information in all markets about local regulations, practices and conditions. This perhaps results from the past primary focus on issues up to the point of disembarkation. In the approach developed in the case of Indonesia, the government is not purporting to regulate matters offshore, but rather imposing conditions on exporters as part of the process of granting an export licence. This regulatory role is based primarily on an assessment of the adequacy of the exporters' compliance with those conditions and on the results of independent third party assessment. In the new environment, the Department of Agriculture, Fisheries and Forestry will have a role in addition to the regulatory role; it will also need to be in a position to offer informed policy advice to the government on issues right along supply chains, as well as potential inter-governmental issues, and the Review will develop views on the extent of information and engagement required to enable that.

With specific reference to the domestic (Australian) phase of the live export chain, the Review provides the following preliminary comments.

The domestic end of the supply chain has been subject to intense review and change in recent years, much more than (until recently) the overseas aspects. As might be expected in these circumstances, there appears to have been marked improvement in all phases of the domestic supply chain since uptake of the Keniry recommendations and introduction of ASEL. This was acknowledged in some comments to the Review by animal welfare organisations, who nonetheless retained serious concerns about animal welfare issues domestically. Among issues identified in the Review's early stages:

- Preparation and selection on-farm have been enhanced by better handling facilities and tighter specification of types, size and condition of stock.
- The majority of livestock for export are now transported from property to Registered Premises (depot or feedlot) by larger, better managed transport operators under the TruckCare quality system. In the larger companies, training programs are conducted for transport drivers and performance monitored.
- Registered feedlot facilities and management have improved, especially in northern and Western Australia where the cattle and sheep industries have become increasingly tightly geared to, and dependent on, the live export trade.
- Ship-board conditions including consideration of load capacities, pen design, feeding regimens and ventilation have been subject to ongoing review and redesign, in order to achieve improvements in growth and survival during voyages.

More detailed examination of conditions in live export establishments and arrangements in southern Australia will be conducted in early August.

Some concerns and vulnerabilities will require further assessment by the Review. Among issues identified are the following:

- Processes often occur within extremely tight timelines, sometimes necessitating last-minute actions and decisions and pressure on producers, transporters, depot operators, AQIS accredited veterinarians (AAVs) and AQIS staff. These factors have potential welfare implications.
- Periodic high demand for export sheep has coincided with low supply (particularly due to decreasing size of the national sheep flock). This can result in stock being selected for export that do not meet desirable weight or condition specifications, with potential welfare implications.
- Although the ASEL is broadly (but not universally) respected as a solid base, the Review heard views that amendments are required to enhance the preparation of livestock for export, further protect ship-board animal welfare, clarify procedures for exporters and AQIS regional staff and provide for more flexible and practical work instructions.
- The Review heard views about a perception of conflict of interest and lack of independence in relation to the activities of AAVs and has considered these in some detail. The Review will report on ways in which this issue can be addressed.
- The Review has received a range of comments relating to AQIS. These issues will be considered further in coming weeks.
- There is an absence of enforceable welfare standards and structured compliance (audit) procedures by state and territory animal welfare authorities. This means that livestock producers, buyers, transport and feedlot operators are unable to demonstrate compliance. It may also mean that any non-compliance is not detected. Reforms are making slow but steady progress to produce nationally consistent enforceable animal welfare standards for livestock, and some jurisdictions are commencing design of compliance programs to audit the standards as they are taken up in state and territory legislation.
- There appears to be no agency with a line of sight through all phases of the domestic end of the supply chain. There is a need for clearer definition of state and territory and Commonwealth responsibilities for the monitoring and enforcement of welfare standards.
- The Review received a number of suggestions about the merit of exploring options for an integrated, independently audited quality system linking livestock production/preparation, selection, transport, feedlotting (conditioning), pre-export inspection, testing and treatment, loading and shipping. It was suggested that an integrated system would require formal contractual arrangements between exporters and depot operators, transport companies, agents and producers, specifying a range of requirements including compliance with welfare standards. The view was expressed to the Review that such a system might (and in the view of some, should) enable exploration of options for lightening the regulatory load on the Commonwealth and other jurisdictions and, indeed, industry. The Review is considering this issue further.

Turning to the overseas element of its work so far, the Review encountered a range of concerns about Australia's reliability as a supplier. These were, expectedly, stronger in countries where Australian product makes up a very high proportion of total imports and is a

key element in underpinning food security. We referred in our consultations to the Australian Government's commitment to the long-term sustainability of the trade and to the animal welfare considerations whose satisfaction will be necessary to that sustainability.

I make a further introductory comment about the Review's overseas consultations. In the time available, we will not of course have been able to visit all export markets. Our itinerary has been developed so as to enable us to arrive at views about the range of circumstances and issues which exist in markets overseas; about principles which might have general applicability; and about particular conditions in individual markets which should inform the development of approaches. The Review's final report will focus on these issues of principle and practice rather than on particular country circumstances. This seems the more desirable, given that achieving appropriate animal welfare outcomes in differing markets may require selection from a range of mechanisms, albeit with a consistency with principles determined by the Government.

The Review's overseas consultations have so far identified a range of issues whose implications are being, and will be further, considered. These include the following:

- In the countries so far visited, the Review has discussed the principles and arrangements developed in the case of resumption of the trade to Indonesia. There was a general awareness of these, an understanding that new procedures would likely be introduced, and some comment (which echoed comment from our Australian industry consultations) about the difficulties of effecting individual identification of sheep. Those discussions will be useful as the Review develops its thinking on the broader applicability of the principles and arrangements with Indonesia.

- Not surprisingly, the Review encountered a marked variation of circumstances between the countries visited, and often between various establishments within any one country. In some establishments, for example, slaughter was clearly conducted in accordance with the OIE standards; in others, practices fell short, and in some cases very short, of the OIE standards.

- The Review was impressed by the commitment of MLA/Livecorp staff in several of the countries visited, and by projects funded by the Live Trade Animal Welfare Partnership, reflected in some cases in improved infrastructure, in others in continuing work to assess issues impacting on animal welfare in local conditions.

- In a number of countries visited, there has been a traditional issue with "leakage" from the supply chain, that is via sales to individuals or businesses which remove animals from importers' premises and result in their being slaughtered in uncertain circumstances. In some cases, it also appears that newborn lambs and/or their mothers are removed for breeding purposes.

- Something brought to the attention of the Review is the existence of merinos born and raised in some Middle East countries yet effectively indistinguishable from imported Australian sheep. There would appear to be the potential for these overseas-born merinos to be mistakenly described as Australian imported animals. This would need to be considered when developing a supply chain assurance model in these countries, particularly the animal identification and traceability component.

As outlined in the terms of reference, the Review is focused on examining arrangements for the export of Australian feeder or slaughter livestock. Notwithstanding this, the end treatment of Australian animals exported for breeding and other non-slaughter purposes is an issue that has been raised in stakeholder consultations. The question has been raised about the ultimate fate of such animals at the end of their productive life. Little is known about the supply chains and

long-term treatment of these animals in the importing country and there are different points of view whether the welfare of such animals remains an Australian responsibility. This would appear to be an issue on which the government will need to form a view and the Review is conducting further research into it.

The Review's Terms of Reference make clear that the government intends to make provisions on all livestock consignments which leave Australia. The Review has so far focussed on, or developed plans to focus on, the main export breeds – cattle, sheep and goats. Efforts will be made in the time available to focus on deer, buffalo and camelids but this may be a matter for further work after the Review.

There is an immediate issue which I believe should not await the Review's final report. This is the potential for leakage from the supply chains in some countries in connection with the celebrations of Eid ul-Fitr at the end of August and Eid al-Ahda in early November. I suggest that this issue be urgently pursued by the government with industry.

You have asked for a final report by 31 August 2011. We are working strenuously to meet that deadline.

Yours sincerely

Bill Farmer

8

Appendix D
Independent Reference Group Report on the Livestock Export Industry, 2000

The Independent Reference Group (IRG) was asked to assess and report with advice to industry and the minister on the:

- current state of the livestock export trade and its performance
- the appropriateness of current industry and government arrangements for managing the welfare of animals, and on
- any future initiatives that could be implemented to improve animal welfare outcomes.

The Recommendations of the IRG in its Report of February 2000 are as follows.

Recommendation 1

The IRG recommends that animals at farm gate should:

- first meet minimum Australian health requirements and standards for fitness to travel; then
- meet the health requirements of the country of destination; and
- be prepared properly to enable them to cope with the range of subsequent environments they will encounter, including sufficient time for adjusting to feed and restoring stress-handling capability.

The IRG recommends that existing processes be reviewed and modified if necessary to fully meet the above requirements, with clearer emphasis on the method of preparation on the property of origin. This preparation should be documented in a manner that can be audited.

Recommendation 2

The IRG therefore recommends that:

- documentation of animal health history on farm or from other place of origin be considered for incorporation within the processes of the Livestock Export Accreditation Program (LEAP) and Australian Livestock Export Standards (ALES), and form part of the overall documentation provided to AQIS by exporters for health certification and the issue of export permits;
- documentation could be provided either by formal vendor declaration, or by certification through a recognised quality management program such as

CATTLECARE or FLOCKCARE (which may be modified if necessary), or both. As in the above dot point, documentation must be cleared through the registered veterinarian who is accredited for inspection and certification of live exports (see Recommendation 4);

- in order to achieve improved animal welfare outcomes, Industry should consider the incorporation into ALES of protocols for the preparation of different species, from different regions, to different destinations and in different seasons;
- existing State mechanisms for farm health certification should be validated for their effectiveness and consistency, particularly in connection with current disease status and reporting under NAHIS [National Animal Health Information System].

Recommendation 3

The IRG recommends that all States and Territories that have not already done so should ensure a consistent legislative basis on agreed national animal health and welfare standards to underpin industry initiatives, and that this be given priority.

Recommendation 4

The IRG recommends that:

- AQIS should retain the power to perform separate indirect or direct audits on certification or any relevant aspect of an export of livestock, including matters affecting licences;
- The exporter clearly be the responsible and accountable entity for all aspects of the export process, including the provision of qualified and trained staff covering health and welfare matters (see last dot point below);
- Existing arrangements for the provision of 3rd Party services be continued whereby accredited veterinarians are employed or contracted directly by the exporter to assist in certifying that animals meet health and welfare standards;
- The exporter deliver documentation to AQIS to support the issuing of export permits and health certificates by that agency. The documentation must cover whatever is relevant to a given export including details on selection, land transport and assembly of animals, health certification for animals and farms, and any necessary testing and treatment;
- Existing 3rd Party provisions be incorporated into ALES as standards and be jointly developed and reviewed by industry and AQIS, and modified if necessary. Exporters should be audited on their performance against these standards;
- The Accreditation Program for Australian Veterinarians (APAV) of the Australian Animal Health Council Ltd should be extended to provide the basic training in health and welfare inspection and certification of animals for live export. Only APAV accredited veterinarians should be employed or contracted by exporters to inspect and certify animals for export.

Recommendation 5

The IRG recommends that Industry restructure present arrangements, whereby the LASC [LEAP Accreditation and Standards Committee] advises on changes to the ALES, to an arrangement where the LASC approves any changes and has overall management authority of the LEAP program.

Recommendation 6

The IRG recommends that existing legislation and regulation be reviewed in detail and modified in light of LEAP and ALES coverage, to provide both additional support for industry QA standards, and to ensure efficient and effective coverage for all livestock export activities. This may involve re-scoping of government provisions and restructure of legislative instruments, or possibly consolidation of regulations and orders. The Government must maintain an ability to intervene directly or through judicial action if necessary.

Recommendation 7

The IRG recommends that an (AUSVETPLAN like) approach to emergency management be jointly developed by industry and government for the livestock export trade.

Recommendation 8

The IRG recommends that Industry and Government review the livestock export industry data requirements, acquisition and maintenance systems, and public availability of performance information, with a view to both improved efficiency and transparency.

Recommendation 9

The IRG recommends that industry commit to and continue to improve general and industry performance communication, with particular emphasis on transparency.

Recommendation 10

The IRG recommends that industry strengthen the emphasis of an epidemiological basis for current and future research activity.

Recommendation 11

The IRG recommends that industry and government adopt and communicate a clear definition of animal welfare for the purposes of the live export trade, and use this definition as a benchmark for future considerations and operation.

Appendix E
Independent Reference Group Report on the Livestock Export Industry, 2002

The Independent Reference Group (IRG) was asked to look at the entire supply chain in providing its advice with an eye to delivering better welfare outcomes in the future.

The Recommendations of the IRG in its Report of October 2002 are as follows.

Action Plan

1. Agree to the immediate establishment of a dedicated joint government and industry Working Group to develop an Action Plan for the Livestock Export Industry (APLEI) by 18 October 2002 that provides a comprehensive framework for delivery of a sustainable live animal export industry into the future that meets the expectations of the community and livestock producers on animal welfare outcomes.
2. Request the IRG to reconvene on 21 October 2002 to review the Plan and provide advice to [the minister] by the end October 2002.

Risk Assessment

3. Agree that before a decision to revoke the moratorium on sheep exports and the ban on exports of *Bos taurus* cattle is taken, that risk assessments be undertaken before the trade re-commences having particular regard to matters such as dry conditions, sourcing of stock and conditions at destinations.
4. Agree that Biosecurity Australia and AQIS immediately develop a risk assessment template to be attached to and submitted for each consignment as part of the Notice of Intention. No export permit should be issued until AQIS has approved the risk assessment.
5. Agree to implementation of a risk assessment for each voyage as a risk reduction measure pending the implementation of a range of new measures to be defined in the Action Plan.

Investigation of Incidents

6. Agree that a Memorandum of Understanding between AQIS, AMSA and Livecorp should be finalised immediately to facilitate a more co-ordinated and timely approach to investigations and reporting of export livestock incidents by AFFA [now DAFF].

Risk Communication

7. Agree to improve transparency to all stakeholders by appropriate risk communication, including the release of regular media statements by the Minister and industry to cover incidents and developments, actions being taken and the

residual risk of further incidents until the Action Plan is implemented. A statement on progress at the Primary Industry Ministerial Council meeting to be held on 10 October 2001 would be useful part of such risk communication.

8. Agree to the establishment of a Live Animal Exports Industry Consultative Committee (ICC) to provide advice to AFFA [now DAFF] and QEAC [Quarantine and Export Advisory Council, now the Biosecurity Advisory Council] on live animal exports and oversee implementation of the APLEI. ICC members to include nominees of Cattle Council, Sheepmeat Council and Wool Council as well as of AQIS, ALEC and the community organisations.

9. Agree to announce the establishment of the ICC at the 10 October PIMC meeting.

Appendix F
Keniry Livestock Export Review, 2003

The Terms of Reference of the Review were to examine:

(i) the adequacy of welfare model codes of practice as they apply to the preparation and export of livestock;

(ii) the adequacy of current regulatory arrangements for the live export trade from farm of origin to ultimate destination;

(iii) the types of livestock suitable for export, especially ewes;

(iv) the need for supervision of each export voyage, in a manner that ensures accurate and transparent reporting of the condition of the livestock; and

(v) the specific factors that contributed to the excess mortalities on the MV *Cormo Express* V93 with particular reference to compliance with the requirements of the Saudi Livestock Export Program and associated arrangements for the Saudi market.

The Review was asked to take into account the recommendations of the Independent Reference Group in 2002 and implementation of the Action Plan for the Livestock Export Industry (APLEI) announced in October 2002, which was being progressed through the Livestock Export Industry Consultative Committee (LEICC), and in particular the adequacy of:

- the legislative and administrative arrangements being developed, including industry arrangements for developing and enforcing appropriate standards for livestock exports; and
- risk management strategies necessary to address the health and welfare of animals during an export journey, including measures to ensure the live export industry is able to manage unforeseen events associated with the trade.

The Review made the following recommendations:

Recommendation 1

There must be a national standard for livestock exports, the "Australian Code for Export of Livestock", which focuses on the health and welfare of the animals during export and which is consistent with the Model Codes as they are updated:

- States and Territories should be consulted in the development of the standard and the views of industry and animal welfare groups should be taken into account;
- the standard must recognise the outcomes sought in the export of livestock and take into account the whole process for sourcing, preparing, assembling and transporting animals for export;

- the standard must be directly referenced in the Australian Meat and Live-stock Industry Act 1997 and the Export Control Act 1982; and
- an interim national standard must be in place by 1 May 2004 and finalised by 31 December 2004.

Recommendation 2

Government must be solely responsible in the relevant legislation for granting export licences and permits and enforcing compliance by exporters against the national standard:

- the Government may take into account the views of an industry group on whether a particular exporter has met industry quality assurance standards but must not be constrained by those e views in making its decision.

Industry should be responsible for research and development and management of quality assurance systems to support its members translate best practice standards into outcomes consistent with best practice:

- its activities should be funded by compulsory levies.

Recommendation 3

The criteria for approval of export licences and export permits should be more closely linked in the legislation and include:

- an assessment of the export history of the exporter as well as their related entities;
- for the grant of an export licence, an exporter must be required to demonstrate that they have systems in place to meet the national standard for livestock export; and
- for the grant of an export permit, an exporter must be required to attest that the national standard has been met.

Recommendation 4

'Third party' veterinarians responsible for the treatment and preparation of animals for export must be directly contracted and accountable to AQIS in the performance of their duties:

- they must be registered with a state veterinary board;
- their responsibilities must be referenced in export legislation with suitable penalties for any breach;
- livestock exporters should be allocated a 'third party' veterinarian by AQIS at the time they advise AQIS that they intend to export; and
- livestock exporters should pay all costs associated with the services of these veterinarians.

Recommendation 5

A registered and suitably qualified and trained veterinarian should be on board all livestock export ships where the journey would take over 10 days:

- AQIS should randomly nominate at least 10% of other livestock export voyages and a veterinarian should be on those voyages;
- the veterinarian should be required to report directly to AQIS on specified matters including any animal mortalities or morbidity, and any environmental conditions on the ship that might impact on the health and welfare of the animals, including any malfunction of feeding, watering or ventilation systems;
- copies of the veterinarian's report should be made available to industry to enable it to enhance its quality assurance programs; and
- livestock exporters should pay all costs associated with the services of these veterinarians.

Industry should continue to develop its Shipboard Program for stockmen to ensure appropriate knowledge and skills are available on board vessels during a voyage.

Recommendation 6

There must be a continuation of the current industry investment in rigorous research and development programs on the suitability of different types of livestock for export:

- in the meantime exports should be banned in circumstances where the available evidence indicates that the risks of adverse outcomes are predictably high;
- this would mean the closure of ports such as Portland and Adelaide during those periods of the year when the risks are greatest.

Recommendation 7

Government and industry must work cooperatively to secure the agreement of a country in the Middle East region to establish an operational quarantine holding facility by the end of December 2004:

- if such a facility is not available by that time, the livestock trade to the region should be reviewed;
- if animals exported from Australia are not unloaded within 48 hours of the ship berthing, they must be moved as quickly as possible to the quarantine facility; and
- the quarantine facility must allow for testing and analysis of animals in the shipment for final determination, access to a robust and transparent dispute resolution mechanism, and quick destruction of the animals if necessary.

The livestock export trade with Saudi Arabia must not resume until there are robust written conditions determined between the governments of Australia and Saudi Arabia which ensure that:

- Saudi Arabia or the Gulf Cooperation Council is involved at an early stage, possibly pre-embarkation, in approving the health status of the animals;
- testing and analysis of the animals in the shipment at the time of first arrival is transparent and reliable; and
- the animals can be moved to the quarantine holding facility for further determination.

Recommendation 8

A national response system should be established to plan and manage any future livestock export emergency, possibly modelled on AUSVETPLAN.

Appendix G Submissions received

Submission	Name	Affiliation
0629-01	J Dyer	APN Pty Ltd
0701-01	A Gunnon	
0701-02	L Karman	
0701-03	C Collins	
0701-04	Name withheld	
0701-05	N Rozario	
0701-06	M Good	
0701-07	S Oakley	
0702-01	V ApSimon	
0702-02	S Ford	
0702-03	A O'Neill	
0702-04	J Saint	
0702-05	G Jeffreys	
0702-06	Name withheld	
0703-01	M Wilkins-Russell	
0703-02	J Wyrsta	
0703-03	C Deb	
0704-01	T Barker	
0704-02	M Goodhue	
0704-03	N Minns	
0704-04	M Barnes	
0705-01	R Chalklen	
0705-02	B Rendell	
0705-03	T Keele	
0705-04	S Millman & S Tuton	
0705-05	M Lemmers	
0706-01	J Braithwaite	
0706-02	D Perkins	
0706-03	C Thomas	
0706-04	Name withheld	
0706-05	P Oates	
0707-01	L Du Rieu	
0707-02	N Fahey	
0707-03	E Mojanovski	
0707-04	B Graham	
0707-05	C Law	
0707-06	O T Kusiak	
0708-01	A Boulton	

Submission	Name	Affiliation
0708-02	L Obst	
0708-03	V Law	
0708-04	M Dimond	
0708-05	D Kosh	
0709-01	D Bechaz	
0709-02	M Trant	
0709-03	A Madigan	Australian Livestock & Property Agents Association
0710-01	K Hansen	
0710-02	M Harrison	
0710-03	L Bogdanovos	
0710-04	C McSweeney	
0711-01	J Hansen	
0711-02	B Williams	
0711-03	Name withheld	
0711-04	S Rabusin	
0711-05	R Dunlop	
0711-06	B Gibbs	
0711-07	S Dyer	
0711-08	K Calder	Triple W Farms Pty Ltd
0712-01	M Streiff	
0712-02	M Barnes	
0712-03	M Barnes	
0712-04	L Stevens	
0712-05	A Nilsson	
0712-06	E Newberry	
0712-07	C Vincent	South Australian Farmers Federation
0712-08	S Hing	
0712-09	S Sims	
0712-10	D Lovelock	
0712-11	T Smith	
0712-12	S Foster	
0712-13	P Hill	
0712-14	L Smyth	
0712-15	Name withheld	
0712-16	Name withheld	
0712-17	Name withheld	
0712-18	C Slater	
0712-19	R Mitchell	
0712-20	P Pengilly	
0713-01	R Atkinson	

Submission	Name	Affiliation
0713-02	K Keen	
0713-03	T & S Jonsson	
0713-04	J Kendall	
0713-05	M Pentecost	
0713-06	T McCosker	
0713-07	T Strachan	
0713-08	K & A Alexander	Anka Holdings Pty Ltd
0713-09	Name withheld	
0713-10	J Healing	Warrawee Pastoral Company
0713-11	A Ludvik	Southern Cross University Animal Law Club
0713-12	C Lang	
0713-13	J Scanlon	
0713-14	L Pavy	
0713-15	B Bain	
0713-16	P Wren	
0713-17	C Cooper	
0713-18	R & C Teakle	
0713-19	Name withheld	
0713-20	B Tapp	
0713-21	H Mayes	
0713-22	E Bassingthwaighte	Toomba Station Pty Ltd
0713-23	S Rickinson	
0713-24	K Greenfeld	
0713-25	C Sleeman	
0713-26	S Witherspoon	
0713-27	D Hanks	
0713-28	K Nolan	
0713-29	K Richards	
0713-30	N Hanke	
0713-31	Name withheld	
0713-32	T Cranwell	Ellendale Station
0713-33	C Beasley	
0713-34	Go Poole	
0713-35	D Lowe	Animals' Angels
0713-36	F Champion de Crespigny	
0713-37	J Croker	Crocker Farming Company
0713-38	K McIntosh	
0713-39	E Sanders	
0713-40	V Vanderplasschen	
0713-41	F Blake	

Submission	Name	Affiliation
0713-42	J Grigg	
0713-43	K Coffey	
0713-44	S Williams	
0713-45	M McCabe	
0713-46	C de Fraga	Compassion in World Farming
0713-47	A Hatch	
0713-48	B Akumi	
0713-49	G McNamara	
0713-50	C Ross	
0713-51	A Coppin	
0713-52	N Batt	
0713-53	C Tritton	
0713-54	G Bilston	
0713-55	B Alcorn	
0713-56	A Henwood	
0713-57	C & G Semple	
0713-58	H Harrington	
0713-59	N Annear	
0713-60	M Boyle	
0713-61	L Adamson	
0713-62	Hajah Aidah Haji Mohd Hanifah	
0713-63	Hajah Aidah binti Haji Mohd Hanifah	
0714-01	I Nicholson	
0714-02	P Stanley	
0714-03	H Wakeford	
0714-04	J Joyce	
0714-05	P Johnson	Coolalie Holdings Pty Ltd
0714-06	C Davis	
0714-07	J Snell	
0714-08	E Brown	
0714-09	S Cox	
0714-10	A Vickery-Howe	
0714-11	L Hunt	
0714-12	P Kerkenezov	
0714-13	Name withheld	
0714-14	R Hacon	Hacon & Sons Pty Ltd
0714-15	D Buchanan	
0714-16	Name withheld	
0714-17	D Scanlon	
0714-18	C Kerp	Shire of Goomalling

Submission	Name	Affiliation
0714-19	Name withheld	
0714-20	K Searle	
0714-21	L Cowan	R & L Cowan
0714-22	B Bennett	
0714-23	B Huston	
0714-24	B Gibbons	
0714-25	S Edmonds	
0714-26	C Macaulay	
0714-27	Name withheld	
0714-28	S Cutting	
0714-29	J Legg	
0714-30	R Wansbroug	
0714-31	K Hart	
0714-32	J D'Aloia	Warringal Conservation Society
0714-33	LG & LV Lethbridge	Werrington
0714-34	Name withheld	
0714-35	P Gretton	
0714-36	K Haines	
0714-37	S Smith	
0714-38	A Wall	
0714-39	R Dessert	R.B. Dessert Seed Company
0714-40	P Leutenegger	Napier Downs Pastoral Company
0714-41	J Curley	
0714-42	H Seymour	
0714-43	P & D Schubert	Maryfield Station Pty Ltd
0714-44	K Neilson	
0714-45	C Linch	
0714-46	E Hunt	
0714-47	N Currie	
0714-48	C Brisk	Brisk Contracting Pty Ltd
0714-49	J Bloomfield	
0714-50	D & L McGinnis	
0714-51	C Siang Thai	Agri-Food and Veterinary Authority of Singapore
0714-52	Name withheld	
0714-53	N Paulet	
0714-54	A Henwood	
0714-55	R Weston	
0714-56	A Burrows	
0714-57	Name withheld	
0714-58	L Ward	Wards Heliwork Pty Ltd

Submission	Name	Affiliation
0714-59	S Vassos	
0714-60	M De Long	Edgar Range Pastoral Company
0714-61	D & J James	
0714-62	D Terry	
0714-63	M Liong	
0714-64	M Webster	
0714-65	D Johnston	
0714-66	Name withheld	
0714-67	M Mackenzie	Stop Live Exports Organisation
0714-68	K Larson	
0714-69	P & A Finlay	
0714-70	S Dixon	
0714-71	C Frank	
0714-72	L Heffernan	
0714-73	M Cusworth	
0714-74	C Croumbie-Brown	
0714-75	C Tiplady	
0714-76	I Arving	
0714-77	Name withheld	
0714-78	L Copas	
0714-79	V & C Caspani	
0714-80	K Hawkins	
0714-81	D Mangan	
0714-82	A Spencer	
0714-83	R Westcott	
0714-84	B & C Hoare	
0714-85	N Oats	
0714-86	A Hawkins	
0714-87	T Seiler	
0714-88	M Gallagher	
0714-89	N Gallagher	
0714-90	J M & S J Trott	
0714-91	J Kingdom	
0714-92	M McCoy	
0714-93	A Schaafsma & S Tritapepe	
0714-94	N Chalmer	
0714-95	L Hoare	Elsey Pastoral Trust
0714-96	R Blight-Clark	
0714-97	P Valis	
0714-98	Name withheld	

Submission	Name	Affiliation
0714-99	E Flower	
0714-100	A Jackson	
0714-101	T Salitra	
0714-102	K Hohenhaus	
0714-103	Name withheld	
0714-104	B Bellinger	Australian Beef Association
0714-105	S Smith	
0714-106	E Pensini	Cheela Plains Pastoral Company
0714-107	J Lefroy	
0714-108	R Rivington	
0714-109	S Pegiou	
0714-110	P Kneebone	
0715-01	R Richardson	Mount Florance Station
0715-02	T Davy	
0715-03	L Mira-Bateman	
0715-04	T Morrison	
0715-05	I Leeds	
0715-06	J Cranston	
0715-07	M Swann & P Caldon	
0715-08	L Fleeman	
0715-09	T Cummings	
0715-10	H MacGillivray	
0715-11	Name withheld	
0715-12	S Kirk	
0715-13	T Hayne	
0715-14	M Croner	
0715-15	T Chafer	
0715-16	J & C Richard	
0715-17	C Gallagher	Gallagher Family Trust
0715-18	K Hughes	
0715-19	Name withheld	
0715-20	A & L Bailey	
0715-21	B & F Murray	
0715-22	P Murray	
0715-23	V Elliott	
0715-24	L Greenhill	G & L Greenhill Partnership
0715-25	W & K Cluff	
0715-26	C Michael	
0715-27	J Pascoe	
0715-28	D Warriner	

Submission	Name	Affiliation
0715-29	H Teakle	Squarewell Farming Company
0715-30	J Gardiner	
0715-31	E Hick	Argyl Pastoral Company
0715-32	B Stone	
0715-33	S Jordan	Ten-Rose International Simmental
0715-34	R Trenaman	
0715-35	B Semple	
0715-36	Name withheld	
0715-37	M & J Kruckow	
0715-38	L Perry	
0715-39	J Bloom	
0715-40	P Pogorzelski	
0715-41	P Abetz	
0715-42	Name withheld	
0715-43	H Atkinson	
0715-44	Name withheld	
0715-45	G Brown	
0715-46	M Bosidis	
0715-47	I Scott	
0715-48	A Proctor	Broome Chamber of Commerce Inc
0715-49	J Davis	
0715-50	A Fleming & A Phillips	NT Buffalo Industry Council
0715-51	N Davison	
0715-52	R Wilkinson	
0715-53	B Emily	Brett Cattle Company Pty Ltd
0715-54	B Wreford	
0715-55	B Twentyman	Australian Veterinary Association
0715-56	A Armstong	Lembiru Livestock Pty Ltd
0715-57	Name withheld	
0715-58	L Boyd	
0715-59	Name withheld	
0715-60	S McLean	
0715-61	J Arlaud	
0715-62	H Simmons	
0715-63	J Stone	
0715-64	R Webb-Smith	
0715-65	A Pollard	Northern Rivers Community Legal Centre
0715-66	W McDougall	
0715-67	K Leung	
0715-68	Name withheld	

Submission	Name	Affiliation
0715-69	C Stone	
0715-70	T Karbouris	
0715-71	L Wilkinson	
0715-72	R Homburg	
0715-73	G Leung	
0715-74	D De Garis	
0715-75	T Schifferle	Pet Carers
0715-76	C Curlewis	
0715-77	A Doudle	
0715-78	T & T Allingham	
0715-79	Name withheld	
0715-80	V Browne	
0715-81	Name withheld	
0715-82	Name withheld	
0715-83	Name withheld	
0715-84	R Faint	
0715-85	Name withheld	
0715-86	G Lawton	
0715-87	Name withheld	
0715-88	B & Y Schaefer	
0715-89	O Mangan	
0715-90	Name withheld	
0715-91	G Mangan	
0715-92	A Greenaway	
0715-93	P Hatch	
0715-94	B & N Wehl	
0715-95	P Letchford	
0715-96	J Robins	
0715-97	D Henderson	
0715-98	Name withheld	
0715-99	K Braes	
0715-100	Name withheld	
0715-101	K Gelbart	
0715-102	I Blayney	
0715-103	Name withheld	
0715-104	R Tester	
0715-105	L Johnston	
0715-106	L Winks	
0715-107	Name withheld	
0715-108	L Leung	

Submission	Name	Affiliation
0715-109	R & J Gates	Gates Pastoral Goats
0715-110	D Stoate	
0715-111	M Barton	
0715-112	B & C Lester	Larrizona Station
0715-113	Name withheld	
0715-114	D Finter	
0715-115	S Burge	Shire of Derby/West Kimberley
0715-116	A Mills	Warrawagine Cattle Company
0715-117	H Cox	
0715-118	Name withheld	
0715-119	K van Ekert	Sentient – The Veterinary Institute for Animal Ethics
0715-120	D Jones	Road Trains of Australia Pty Ltd
0715-121	Name withheld	
0715-122	L Rawlings	BOS Veterinary Services
0715-123	Name withheld	
0715-124	Name withheld	
0715-125	B Walker	
0715-126	Name withheld	
0715-127	L & A Tyson	
0715-128	D O'Brien	O'Brien Cattle and Land
0715-129	R Hinkley	
0715-130	A Simpson	Agforce Queensland
0715-131	S Austin	
0715-132	J Lewin	
0715-133	C Chan	
0715-134	S Martyn	Australian Meat Industry Council
0715-135	H McKeough	Carey Downs Station
0715-136	D Clift	
0715-137	R Bönig	The Law Society of South Australia
0715-138	L Campbell	
0715-139	Name withheld	
0715-140	Name withheld	
0715-141	L Hill	Hill & Burton Transport Pty Ltd
0715-142	P Hutchinson	Goat Industry Council of Australia
0715-143	J Haack	
0715-144	R Saklani	
0715-145	C Johnson	
0715-146	T Gleeson	
0715-147	R Hatten	Voiceless
0715-148	P Ahern	Edgar's Mission Inc

Submission	Name	Affiliation
0715-149	K Thomson	Western Australian Beef Council
0715-150	C Staite	
0715-151	K Miller	
0715-152	Name withheld	
0715-153	G & L Morgan	
0715-154	C Miller	
0715-155	I Yeates	
0715-156	Name withheld	
0715-157	T Hogan	
0715-158	W Olsen	Shire of Halls Creek
0715-159	R Blyth	
0715-160	Withdrawn	
0715-161	C Ross	Ross Grazing Partnership
0715-162	C Morgan	
0715-163	M Connor	
0715-164	Name withheld	
0715-165	Name withheld	
0715-166	T Meecham	Quobba Station
0715-167	J Trevenen	
0715-168	Name withheld	
0715-169	M Cox	
0715-170	E Gearey	
0715-171	T Fraser	
0715-172	M Minahan	
0715-173	G Gaffney	Shire of Wyndham East Kimberley
0715-174	H Gloster	Rugby Trading Company
0715-175	G Edwards	Livestock Exchange Pty Ltd
0715-176	E Catlin	
0715-177	Name withheld	
0715-178	C de Fraga	
0715-179	J Luther	
0715-180	J Condon	
0715-181	K Woolfe	
0715-182	Name withheld	
0715-183	S Buckley	
0715-184	P Quigley	S.Kidman & Co Ltd
0715-185	B Burnham	
0715-186	E Krause	
0715-187	K Phan	
0715-188	A Haynes	

Submission	Name	Affiliation
0715-189	A Johnson	
0715-190	S Rummenie	
0715-191	K Henderson	
0715-192	Name withheld	
0715-193	J Deveraux	
0715-194	T Henderson	
0715-195	R Bond	Bondstock Pty Ltd
0715-196	D Basham	Australian Dairy Farmers Ltd
0715-197	C Simcox	Against Animal Cruelty Tasmania
0715-198	J Saint	
0716-01	K Leung	
0716-02	D & A McDonald	
0716-03	G Brooks	Brooks Rural
0716-04	G Brown	
0716-05	J Norris	
0716-06	J Fuller & M Knoll	
0716-07	E Clark	
0716-08	P Gillot	
0716-09	T Phillips	
0716-10	T Moore	
0716-11	S O'Brien	
0716-12	F Reid	
0717-01	L Simmons	
0717-02	J Motter	
0717-03	A Hansen	Deer Industry Association of Australia
0717-04	E Dugan	The Australian Association of Stud Merino Breeders Ltd
0717-05	G Graham	Mount Isa to Townsville Economic Zone Inc
0718-01	P McHugh	
0718-02	H Neil	RSPCA Australia
0718-03	P Fry	Cattle Council of Australia
0719-01	D Bauer	
0719-02	G Crawford	
0719-03	Withdrawn	
0719-04	J McShane	
0719-05	L Richards	
0719-06	S Fisher	
0719-07	N Webb-Smith	
0719-08	I Randles	Pastoralists & Graziers Association of Western Australia
0719-09	T Stockwell	Sunday Creek Station

Submission	Name	Affiliation
0719-10	B Brosnan	
0719-11	B Wratten	Camfield Station
0719-12	K Hughes	Australia Indonesia Business Council
0719-13	S Cass	Stop Tasmanian Animal Cruelty
0720-01	M Chambers	
0720-02	A Tieman	
0720-03	J Holpen	
0720-04	P Lane	
0720-05	G Garlick	
0720-06	J Cronin	
0720-07	Name withheld	
0720-08	M Norton	Western Australian Farmers Federation
0720-09	Withdrawn	
0720-10	Name withheld	
0720-11	J MacDougall	
0720-12	Name withheld	
0720-13	P Shepherd	
0720-14	Name withheld	
0720-15	A Herlihy	
0720-16	Name withheld	
0720-17	Name withheld	
0720-18	M Jackman	Elders Limited
0720-19	Name withheld	
0720-20	M Linnegar	National Farmers Federation
0720-21	L Bowen	Northern Territory Cattlemen's Association
0720-22	S Glasson	
0720-23	I McBean	Bonalbo Cattle Company Pty Ltd
0720-24	M McGregor	
0720-25	A Eggleston	
0720-26	Name withheld	
0720-27	Name withheld	
0720-28	M Nixon	
0720-29	Name withheld	
0720-30	V Dyer	Hayfield Station: APN Pty Ltd
0720-31	G Underwood	
0720-32	W Brown	Camfield Station Buntine Hwy
0720-33	Name withheld	
0720-34	D Brackenreg & T Farrar	
0720-35	S Pike	Pike Family Farm
0720-36	J Cooper	Livestock and Rural Transport Association of Western Australia

Submission	Name	Affiliation
0720-37	L Sheen	
0721-01	G Oogjes	Animals Australia Inc.
0721-02	P Halton	Australian Livestock and Rural Transporters Association
0721-03	D Heatley	Meat & Livestock Australia and LiveCorp
0721-04	R Cullen	Sheepmeat Council of Australia
0721-05	L MacKinnon	Australian Livestock Exporters' Council Ltd
0721-06	J Kelman	
0722-01	C O'Brien	
0722-02	D Gordon	Australian Lot Feeders' Association
0722-03	Name withheld	
0725-01	D & I McDowall	Perryvale Station
0725-02	T Lund	
0725-03	Name withheld	
0725-04	M Thompson	
0725-05	V Sullivan	
0728-01	G Robbins	Queensland Department of Employment, Economic Development and Innovation
0728-02	T Paterson	
0728-03	F Paterson	
0728-04	D Catbagan DVM	Department of Agriculture, Republic of the Philippines

Appendix H Stakeholder consultations

Australian Government
Senator the Hon Joe Ludwig, Minister for Agriculture, Fisheries and Forestry
Department of Agriculture, Fisheries and Forestry (including the Australian Quarantine and Inspection Service)
Department of Foreign Affairs and Trade

Australian Parliament
Senate Standing Committee on Rural Affairs and Transport (Reference Committee for Animal welfare standards in Australia's live export markets)

Australian state and territory governments
Hon Terry Redman MLA, Minister for Agriculture and Food; Forestry; Corrective Services
Department of Agriculture and Food Western Australia
Northern Territory Department of Resources
Queensland Department of Employment, Economic Development and Innovation
Department of Primary Industries and Resources of South Australia
South Australian Department of Environment and Natural Resources
Victorian Department of Primary Industries

Australian Overseas Missions
Australian Consulate-General in Dubai – United Arab Emirates (Consul General Kym Hewitt)
Australian Embassy – Egypt (Ambassador Stephanie Shwabsky)
Australian Embassy – Indonesia (Charge d'Affaires Paul Robilliard)
Australian Embassy – Israel (Mr Luke Davies, Deputy Head of Mission)
Australian Embassy – Jordan (Ambassador Glenn White)
Australian Embassy – Kuwait (Charge d'Affaires Linda Trigg)
Australian High Commission – Malaysia (High Commissioner Miles Kupa)
Australian Embassy – Philippines (Ms Catherine Rees, First Secretary)
Australian Embassy – Saudi Arabia (Dr Tasmin Sanderson, Second Secretary)
Australian Embassy – Turkey (Ambassador Ian Biggs)

Overseas government agencies and representatives
Dr Hassan Fakhro, Bahrain Minister for Commerce and Industry
Bahrain Ministry of Municipalities & Agriculture Affairs
Egyptian General Organisation of Veterinary Services
Mr Mahendra Siregar, Indonesian Vice Minister of Trade
Indonesian Ministry of International Trade and Industry
Indonesian Ministry of Agriculture
Israel Ministry of Agriculture and Rural Development
Higher Committee for Development of Abattoirs in Jordan
Jordanian Ministry of Agriculture
HE Fadel Ali Safar, Kuwati Minister of Public Works and Minister of State for Municipal Affairs
HE Dr Amani Bouresli, Minister for Commerce and Industry, Government of Kuwait
Kuwati Public Authority of Agricultural Affairs and Fish Resources
Malaysian Deputy Minister for Agriculture and Malaysia Agro-based Industry
Malaysian Department of Islamic Development
Malaysian Department of Veterinary Services
Malaysian Ministry of International Trade and Industry
Philippines Bureau of Animal Industry
Philippines National Meat Inspection Service
Turkish Ministry of Agriculture and Rural Affairs
Turkish Fish and Meat Institute

Australian business	
Australian Agriculture Co.	Mitchell's Transport
Austrex	Muriah Exports, Nar Nar Goon
Camels Australia Exports Pty Ltd	P&D Exports
Consolidated Pastoral Company	Schmidt's Livestock Transport
Elders	Victoria Downs
Hillgrove Pastoral Co.	Waterloo Station
Kilto Station and Export Depot	Wellard Rural Exports
Landmark	Yeeda Pastoral Company

Australian export facilities	
Berrima Registered Premises	Darwin Port Facilities
Broome Port	Julago Livestock Handling Facility
Cape Nelson Farm and Depot	Kobo Registered Premises
Cedar Park Registered Premises	Korunya Feedlot
Dalrymple Saleyards	Lake Preston Yards
Noonamah Registered Premises	Two Wells Feedlot
Roebuck Export Depot (Indigenous Land Corporation)	Wyndham Port and Wyndham Yards
Townsville Port	

Australian industry associations	
AgForce	National Farmers' Federation
Australian Livestock and Rural Transporters Association	Northern Territory Live Exporters Association
Australian Livestock Exporters' Council	Pastoralists and Graziers Association of Western Australia
Australian Veterinary Association	Road Trains of Australia
Cattle Council of Australia	Sheepmeat Council of Australia
Goat Industry Council of Australia	Western Australia Beef Council
LiveCorp	Western Australia Farmers Federation
Liveship	Western Australian Livestock Exporters' Association
Meat and Livestock Australia	

Non-government organisations	
Animals' Angels	PAWS Malaysia
Animals Australia	Princess Alia Foundation
Indonesian Council of Ulama	RSPCA Australia
Malaysian Society for the Prevention of Cruelty to Animals	World Society for the Protection of Animals

Overseas business	
Bahrain Livestock Company	National Feedlot Corporation SDN BHD
Best Goats & Sheep SDN BHD	Perfect Meats SDN BHD
Dabach Sheep	PT Agro Giri Perkasa
D'Meter Fields Corporation	PT Citra Agro Buana Semesta
Gulf Livestock Co	PT Elders Indonesia
Hijazi and Ghosheh	PT Tanjung Unggul Mandiri
Homaizi Group	RM Livestock Cattle
Indonesian Beef Producer and Lot Feeder Association	SUCOFINDO
Kuwait Livestock, Transport and Trading Company	Ternakan Kamran SDN BHD
Lazuli Sendirian Berhad	Ternak Jaya

Individuals	
Tony Allingham	Peter Letchworth
Mick Anning	Tim McHugh
Neil Campbell	Jim McKenzie
Susan Duffield	David Morrell
Wayne Duffield	Phil Oldfield
Kirsty Forshaw (Nita Downs Station)	Dr Lloyd Reeves-Johnson
Tony Hayne	Kirk Smith

Appendix I Abbreviations and acronyms

AAV	AQIS-accredited veterinarian
ABARE	Australian Bureau of Agricultural Resource Economics
ABARES	Australian Bureau of Agricultural Resource Economics and Sciences
ABC	Australian Broadcasting Corporation
ACPA	Animal Care and Protection Act 2001
ACVO	Australian Chief Veterinary Officer
AEP	Approved Export Program
ALEC	Australian Livestock Exporters' Council
AMLI Act	Australian Meat and Live-stock Industry Act 1997
AMSA	Australian Maritime Safety Authority
APLEI	Action Plan for the Live Export Industry
AQIS	Australian Quarantine and Inspection Service
ASEL or the Standards	Australian Standards for the Export of Livestock
AVA	Australian Veterinary Association
BRD	Bovine respiratory disease
CIE	Centre for International Economics
CRMP	Consignment Risk Management Plan
DAFF	Australian Government Department of Agriculture, Fisheries and Forestry
DFAT	Australian Government Department of Foreign Affairs and Trade
ECRP	Export Certification Reform Project
GCC	Gulf Cooperation Council
IRG	Independent Reference Group
LATP	Live Animal Trade Program
LEICC	Livestock Export Industry Consultative Committee
LEP	Live Export Program
LESAG	Livestock Export Standards Advisory Group
LiveCorp	Australian Livestock Export Corporation
LTAWP	Live Trade Animal Welfare Partnership
MAF	New Zealand's Ministry of Agriculture and Forestry
Meat Standard	Australian Standard for the Hygienic Production and Transportation of Meat and Meat Products for Human Consumption (AS 4696:2007)
MLA	Meat and Livestock Australia

MoU	Memorandum of Understanding
NLIS	National Livestock Identification System
NOI	Notice of Intention to export
NVD	National Vendor Declaration
NVD/Waybill	National Vendor Declaration and Waybill
OIE	World Organisation for Animal Health
OIE Code	World Organisation for Animal Health Terrestrial Animal Health Code (2011)
PIC	Property Identification Code
PIMC	Primary Industries Ministerial Council
PISC	Primary Industries Standing Committee
PMSEIC	Prime Minister's Science, Engineering and Innovation Council
Position Statement	Australian Position Statement on the Export of Livestock
QA	Quality assurance
RAWS	Regional Animal Welfare Strategy
RAWS IP	Regional Animal Welfare Strategy and Implementation Plan
RFID	Radio frequency identification device
SLEP	Saudi Live Export Program
Standards Order	Australian Meat and Live-stock Industry (Standards) Order 2005
The Keniry Review	2003 Livestock Export Review conducted by Dr John Keniry
The Review	Independent Review of Australia's Livestock Export Trade 2011
WTO	World Trade Organization