



8 June 2018

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Via email: LAE.Review@agriculture.gov.au

REVIEW OF LIVE ANIMAL EXPORTS REGULATORY CAPABILITY AND CULTURE

Thank you for the opportunity to provide a submission as part of the *Review of Live Animal Exports Regulatory Capability and Culture*.

The Australian Livestock and Rural Transporters Association (ALRTA) supports the commission of an Inspector-General of Livestock Exports.

Generally, the ALRTA considers that:

1. Past reviews of animal welfare policy and export rules have put too much emphasis on the interests of exporters and producers to the detriment of other parties in the supply chain such as road transport operators;
2. There is insufficient national coordination of animal welfare policy in Australia; and
3. There is insufficient oversight of the live export trade.

This position is explained in more detail in the attached submission.

If you wish to arrange a meeting to discuss the attached submission, please contact the ALRTA Executive Director, Mathew Munro, on (02) 6247 5434 or mathew@alrta.org.au.

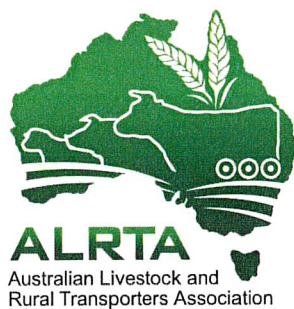
Yours sincerely

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SUBMISSION ON

**REVIEW OF LIVE ANIMAL EXPORTS REGULATORY
CAPABILITY AND CULTURE**

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1.0 Introduction

The Australian Livestock and Rural Transporter's Association (ALRTA) is pleased to offer this submission in response to the *Review of Live Animal Exports Regulatory Capability and Culture*.

The ALRTA is an industry association registered under the *Associations Incorporation Act 1991* in the Australian Capital Territory. The association is governed by a National Council made up of elected representatives from our six state-level associations in New South Wales, Victoria, Queensland, Western Australia, South Australia and Tasmania.

Membership of our state level associations comprises 850 road transport businesses servicing Australia's agricultural supply chain - including the land transport phase of the live export supply chain.

2.0 General Position

On 26 May 2018, the ALRTA National Council resolved to support the commission of an Inspector-General of Livestock Exports.

Generally, the ALRTA considers that:

1. Past reviews of animal welfare policy and export rules have put too much emphasis on the interests of exporters and producers to the detriment of other parties in the supply chain such as road transport operators.
2. There is insufficient national coordination of animal welfare policy in Australia.
3. There is insufficient oversight of the live export trade.

This position is explained in more detail in the sections to follow.

3.0 The Importance of Live Exports

While acknowledging that there are problems with the current regulatory system, the ALRTA is a strong supporter of continuing live animal exports from Australia, including sheep to the Middle East during the northern summer.

In 2017, Australia exported 2.8 million cattle, sheep and goats valued at \$1.4b. Independent research has shown that saleyard prices for sheep would be around 18-35 percent lower without an export market.

Live exports support more than 13,000 jobs in Australia, with wages in excess of \$1b annually, and the vast majority being in rural areas.

The ALRTA considers that discontinuation of live exports would have significant and far reaching negative consequences for:

- road transport business (both direct and indirect);
- livestock prices;
- stock numbers and flows;
- local employment;
- service providers, input suppliers and other local businesses; and
- property values, human populations and viability of local community groups.

Over 100 countries around the world export livestock, but Australia has gone further than any other nation to protect animal welfare.

Asian and Middle Eastern markets simply cannot afford to substitute live imports with chilled boxed meat, nor does Australia have the capacity to supply it.

If Australia was to prohibit live exports, Middle Eastern countries would just continue to import live animals from other countries with lower welfare standards.

For example, in 2008-09 Saudi Arabia imported around three million live sheep with 20% of these from Australia. Today, Saudi Arabia imports five million sheep per annum, with none coming from Australia since the introduction of our mandatory animal welfare standards.

Kuwait has publicly advised that if Australia prohibits live exports, they will also look elsewhere for processed product that is currently sourced from Australia. This will result in a double whammy effect on our livestock markets.

Australian meat processors support closure of live exports because livestock prices will drop. Farmers will have no alternative but to accept the processor price.

Live export vessels and companies are extremely mobile and will continue to trade from overseas ports.

We already have some of the world's best live exporters operating in Australia, so rather than surrendering the live export trade to less regulated competitors, we must do what is necessary to lift our standards further.

As a first world nation with modern values and an enforceable rule of law, it is important for Australia to play a leading role in improving live export standards.

This includes stronger regulatory oversight, as outlined in this submission.

4.0 A Proactive Industry Approach to Animal Welfare

Domestically, Australian livestock carriers are subject to legislated *Land Transport Standards*.

Even so, the ALRTA National Animal Welfare Committee has scrutinised our role in the supply chain and championed several important animal welfare initiatives.

For example, we have:

- published national guidelines for the safe design of ramps and forcing yards;
- worked with regulators to establish more flexible driving hours to deal with any animal welfare risk that might arise in transit;
- merged our TruckCare animal welfare accreditation system with the award winning TruckSafe system;
- developed a national effluent control strategy; and
- established LivestockASSIST – a 24hr national hotline dedicated to coordinating emergency responses.

Our association now has a holistic approach to promoting positive animal welfare outcomes that commences with pre-transit livestock preparation, through loading, transport, unloading and emergency responses in the rare event that things go wrong.

The ALRTA has published our proactive approach in a National Animal Welfare Policy.

Unfortunately, our association has found that our previous submissions to government relating to problems in the livestock supply chain that result in less than ideal animal welfare outcomes have routinely fallen on deaf ears.

From our perspective, it appears that the Department of Agriculture and Water Resources primary objective has been to put the interests of livestock producers and exporters before the interests of supply chain parties, the community or even the welfare of livestock.

We can now see the potentially devastating trade impact of placing a higher importance on cost and red tape than setting minimum animal welfare standards and ensuring that these are met.

The sections below contain examples of previous ALRTA submissions on animal welfare matters that have not been properly considered.

4.1 2014 ESCAS Review: Interaction of 14 Hours Rules and Opening Hours of Registered Premises

Improved regulation of the opening hours of registered facilities would greatly improve welfare outcomes for animals and drivers.

The first stage of the export process involves the accumulation of animals at holding facilities (typically feedlots) at locations close to the point of export. This facilitates the efficient loading of export vessels prior to departure.

Animals are sourced from many different locations and may need to travel significant distances from their point of origin.

ALRTA members know that there are three fundamental considerations when managing the land transport component for live export:

1. **Loading:** The best time to load animals into trucks for a long distance journey is early in the morning.
2. **Travelling:** Trucks should avoid travelling overnight during the period of highest fatigue risk.
3. **Unloading:** Animals should be unloaded as soon as possible after arrival and should not be kept on a stationary truck overnight.

Some registered premises are interpreting the requirements of standards contained in the ASEL in a manner which is producing negative welfare outcomes for drivers and animals in the loading, travelling and unloading phases.

Under the current operational arrangements in force at certain registered premises, it is simply not possible to load stock in the morning, travel during daylight hours and then unload stock shortly after arriving at the destination. Operators have raised this issue directly with registered premises to no avail. Regulatory intervention is required to compel registered premises to rectify the situation.

4.1.1 Welfare and Safety Impacts of Current ASEL Interpretation

S2.21 of the ASEL states that "*Livestock must be unloaded into registered premises to rest and adapt for their export journey if the duration of the land transport journey is more than 14 hours*".

Operationally, this standard interacts with the opening hours of registered facilities, having consequential impacts on the times that drivers need to load animals for departure on longer haul journeys.

For example, on 4 February 2014, road transport operators were informed that receival times at Two Wells Feedlot would be strictly enforced from 6:00am to 6:00pm. Trucks were also prohibited from parking overnight at the premises.

Consequently, drivers travelling for 14 hours or longer must leave prior to 3:30am to ensure they arrive with time to unload before closure. It must also be noted that drivers are actually required to commence work even earlier than this time in order to first travel to the point of pick up and start the loading procedure.

Loading stock in the dark greatly reduces inspection quality and increases the risk of injury to both animals and the loader alike. Perhaps even more importantly, early closure of registered premises causes long-distance drivers to be on the road during the most dangerous fatigue risk period. Further, unforeseen delays (e.g. breakdown, loading issues, accidents, road work) can increase the pressure on drivers to speed or skip mandatory rest breaks to ensure that they arrive on time.

These however, are only the undesirable consequences applicable when long-distance trucks do arrive on time. There are even less desirable impacts for all trucks (long or short distance) arriving after closing time.

Without facilities to unload, animals must remain in the vehicle overnight. If stock have not been correctly curfewed (which is often the case) excessive effluent will accumulate in the crate giving rise to welfare issues and the possibility of stock rejection.

There are significant impacts for drivers too. Drivers who are forced to use sub-standard parking areas have no access to basic amenities such as showers, toilets or catering. Movement or noise caused by loaded animals further reduces the quality of sleep which in turn increases fatigue risk on the return journey.

In addition, S3.9 prohibits the export to the Middle East of sheep and goats that have been in trucks longer than 14 hours during May to October. Such consignments that arrive after a registered premises has closed will not be fit for export, having consequential impacts for the producer, exporter, customer and transport operator.

4.1.2 A Regulatory Solution

Given the undesirable impacts for long distance trucks arriving both prior to and after closure of registered premises, the ALRTA asserts that the only workable solution to the problem is to specify the minimum opening hours of registered premises on receival days under enforceable standards.

Arguably, facilities do already have a general obligation to keep reasonable opening hours under the ASEL [S3.13(a) within Division 2, 'Standard for Management of Livestock in Registered Premises', clearly states that '*Livestock must be unloaded as soon as possible after arrival at the registered premises. Facilities must enable safe and efficient unloading of livestock*'], however it is apparent

that some are interpreting the interaction of S2.21 and S3.13 as reason to restrict the ability of operators to arrive at the facility after an arbitrary and unrealistic closing time (thus avoiding their obligation to unload the vehicle) which, quite perversely, is undermining welfare outcomes for both animals and drivers.

The ALRTA considers that the fundamental purpose of the ASEL is to promote positive welfare outcomes.

In order to provide a realistic operating environment that promotes positive welfare outcomes, the ALRTA strongly recommends that the Australian Government amend the Australian Standards for the Export of Livestock 2011 to require that registered premises remain open for at least 18 hours on all stipulated receival days, including until midnight.

This is the only way to guarantee that drivers transporting stock for live export are able to load stock in the morning, travel during daylight hours and then unload stock shortly after arriving at the destination.

4.2 2014 ESCAS Review: Clearance and Export Certainty

The ALRTA recommends that ESCAS inspection, certification and clearance processes need to be reviewed and streamlined to improve certainty and reduce costs for land transport operators.

The second land phase of the live export operation is transporting stock from holding facilities to the export vessel. This is a major time critical undertaking that requires a large number of trucks working cooperatively to deliver stock in an efficient and orderly manner.

It requires a level of skill, experience and expertise for a transport company to successfully coordinate this operation even for relatively small vessels. Trucks and drivers need to be ready to quickly undertake the task at short notice during the narrow loading period.

Operators involved in this part of the exercise report that there is usually great uncertainty around when the loading period will actually commence. All too often the loading time advised to the operator is not met. Operators and drivers are usually 'in the dark' about any subsequent delay and the reasons for it. Trucks and drivers simply gear up in readiness and wait to be advised when to commence.

Delays impose significant costs on land transport operators because they are unable to undertake any other work while waiting to load the vessel. A 24 – 48 hour delay might take ten trucks and more than twenty trailers off the road and render them unproductive for that entire period. This is a significant income loss for the operator and the drivers. Consequently, it can be difficult to find drivers willing to undertake the work due to the risks involved and the operator may also lose work to competitors that was scheduled to be undertaken in the period in which the loading is eventually undertaken.

Some operators believe that it is the certification and inspection processes carried out under ESCAS that contributes to the delays.

While the ALRTA understands that these processes are necessary for providing supply chain assurances and quarantine protection, the regularity of delays suggests that the processes are not working as well as might be hoped. If requirements were communicated well in advance to all parties and adequate operational resources were devoted to the inspection and clearance process it

might be expected that parties would generally be compliant and administrative processes would usually be concluded within forecast timeframes.

The ALRTA recommends that the Australian Government review the inspection, certification and clearance processes with a view to:

- Understanding the frequency, duration and reasons for delays in loading commencement;
- Quantifying the cost impact of delays on the supply chain including the land transport sector;
- Identifying options for reducing delays and improving certainty around loading times;
- Improving communication with supply chain parties about ESCAS requirements; and
- Improving communication with transport operators regarding expected or revised timeframes.

4.3 2014 Proposed Australian Animal Welfare Standards and Guidelines: Livestock in Saleyards and Depots

As summarised in the sections below, in 2014 the ALRTA made a number of important recommendations to the then proposed *Australian Animal Welfare Standards and Guidelines: Livestock in Saleyards and Depots* that were not adopted.

As always seems to be the case, it appears that a higher importance was placed on cost and red tape than achieving 'best practice' animal welfare outcomes.

4.3.1 Truck Washes

- **Recommendation 1:** a new standard be added to S3.1 to expressly include a requirement that '*Saleyard and depot facilities must provide reasonable access to truck cleaning facilities*'.
- **Recommendation 2:** G3.41 be amended to provide complementary operational advice on aspects such as water pressure, lighting, drainage and reasonable distances from competing truck wash facilities (Note: some parts of this recommendation were adopted).

4.3.2 Feed and Water Curfews

- **Recommendation 3:** a new standard be added to Section 6 – Feed and Water which states that a person in charge must apply appropriate feed and water curfews prior to livestock transportation having regard for the intended journey and the need to minimise the production of effluent during transit (Note: Included as a non-mandatory guideline only).

4.3.3 Facility Opening Hours

- **Recommendation 4:** a new standard be added to Section 4 – Handling and Husbandry - stating that livestock should be unloaded promptly on arrival at the destination (Note: included as a guideline only).
- **Recommendation 5:** a new standard be added to Section 4 – Handling and Husbandry - stating that facilities must keep reasonable opening hours having regard for the journey of inbound livestock.
- **Recommendation 6:** a new standard be added to Section 4 – Handling and Husbandry - stating that provisions must be made for the emergency unloading of livestock 24 hours per day (Note: included as a guideline only).
- **Recommendation 7:** a new guideline be added to Section 4 – Handling and Husbandry - stating that facilities accumulating animals for export, should keep opening hours of at least 18 hours on stipulated receival days, including until midnight.

ALRTA considers that the lack of real action on these important matters demonstrates an inherent bias with the Department of Agriculture and Water Resources towards the interests of major commercial parties in the livestock supply chain.

5.0 National Coordination of Animal Welfare Policy

In early 2014, the Australian Government announced that it would no longer take the lead role in animal welfare policy.

While the Australian Animal Welfare Strategy (AAWS) nominally remains in existence, it is no longer taking the active role it once did. The previous *AAWS National Implementation Plan* expired in 2014. The entire strategy appears to have been replaced by a website that hosts the various national standards and guidelines that were previously developed.

Fundamentally, Australia's approach to animal welfare issues is now disjointed, fragmented and lacking national coordination.

This is well illustrated by the fact that the *AAWS Land Transport Standards and Guidelines* have been legislated at different times and through different mechanisms in various states around Australia. There is absolutely nothing preventing one jurisdiction from derogating their own laws as part of a knee-jerk response to a high-profile animal welfare incident.

In fact, this is exactly what has recently been threatened in Western Australia in response to the Awassi Express incident.

Adding another layer of complexity is the fact that it is the Federal Government that maintains and oversees live export laws. These laws of course reach right down into the supply chains within each state and territory.

With livestock moving freely between jurisdictions depending on seasonal or market conditions, Australia cannot afford to have differing animal welfare standards in place in each jurisdiction, and then another set of laws applicable to livestock destined for export markets.

From a practical perspective, supply chain parties should be held to the same animal welfare standard in all parts of Australia, or if animals are of Australian origin – this is the only way to ensure consistent treatment of all livestock exported into international markets.

For this reason, Australia should be striving to establish and maintain one single world-class livestock welfare standard that eliminates confusion and assists in protecting our reputation and market access.

At the very least, this will require the Australian Government to reassume the lead role in coordinating the development of animal welfare policy, standards, guidelines and regulation.

In this regard, it is worth exploring the possibility of establishing an Australian Inspector-General of Animal Welfare to oversee and enforce animal welfare laws.

However, this would represent such a fundamental change to the current approach to the regulation of animal welfare in Australia that it would be prudent to first create and limit the role to overseeing livestock exports (see next section).

6.0 An Inspector-General of Livestock Exports

Prima facie, the repeated elevated mortality of sheep on certain live export vessels suggests some level of failure of export laws, exporter practices, capability of the regulator or a combination of these factors.

In dealing with the Department of Agriculture and Water Resources during 2014 in its capacity of overseeing the revision of export laws and the development of new domestic animal welfare standards and guidelines, the ALRTA formed a strong view that the Department was inherently biased towards the interests of livestock producers and exporters.

The views of other parties in the supply chain on animal welfare matters, and perhaps even the welfare of livestock, appeared to be only secondary concerns to the primary objective of increasing the value of Australian livestock production and export.

This is not to say that increasing the value of Australian agricultural produce is not important or should not be a primary concern of the Department.

However, the dual role of the Department in overseeing regulation of a trade that it is actively promoting can give rise to a conflict of interest. As a result, it should not be surprising that the Department generally only responds to animal welfare incidents if continued trade is threatened, and even then, only to the minimum degree necessary.

For this reason, the ALRTA supports the establishment of an Inspector-General of Livestock Exports.

Such a commission could be given an overriding mandate to establish minimum animal welfare standards and require that these be met by livestock exporters. The standards would be set with regard for a combination of science and community expectations rather than commercial interests.

Ideally, such standards would be of a general outcome-based nature rather than an overly prescriptive nature. This would encourage commercial parties to consider all options and take the best approach in their own circumstances (e.g. potentially a combination of improved preparation, ship design, internal management or timing etc).

This would ensure that exporters engaging in animal welfare best practice would have a distinct advantage over their competitors, rather than the current situation of cost being the primary driver.

The ALRTA is also concerned about the enforcement capability of the Department of Agriculture and Water Resources. While it is apparent that the Department routinely investigates livestock shipments that breach maximum mortality thresholds, it would appear that a very 'light touch' approach to enforcement is always taken.

At worst, an exporter can expect to be asked to give a commitment to developing better practices for future shipments. Incidents are usually interpreted as not having resulted in breaches. Penalties are not applied in respect of individual breaches. Neither individual ships or exporters are sanctioned.

It would appear that the prevailing Departmental culture of regulating in favour of trade, combined with a light touch enforcement approach, has not been a sufficient deterrent to engaging in risky practices among exporters.

It is beyond comprehension for most people in the community that previous investigations by the current regulator did not uncover the true extent of the problem, apply significant penalties to the parties involved or conclude that regulatory change was necessary.

In short, the current approach to regulation of live sheep exports has not worked. It has taken third-party exposure and community outrage to change the attitude of exporters who are themselves calling for tougher regulation and oversight.

Paradoxically, it is now obvious to all parties that putting animal welfare first is necessary for protecting commercial interests over the longer term.

The best way to achieve this outcome would be to establish an independent Inspector-General of Livestock Exports.

In this regard, the ALRTA suggest that the key considerations should be:

- The legislative basis for oversight of Australian and state and territory animal welfare laws;
- The level of independence from Australian Governments;
- The scope of powers instilled in the Inspector-General;
- The fundamental role and objectives of the Inspector-General;
- The degree to which the Inspector-General is directly responsible for enforcement, penalties and overall trade status;
- Determination of the starting point of the live export chain; and
- How the Inspector-General is appointed or removed.