

The background of the cover features a large black triangle on the left side, with the rest of the page filled with diagonal stripes. The stripes are composed of alternating black and white bands, with a fine, grainy texture. The text is white and positioned on the black triangle.

The Review of Live Animal Exports Regulatory Capability and Culture

Submission from the Australian Veterinary
Association

June 2018



Summary

In April 2018, The Minister for Agriculture and Water Resources, the Hon. David Littleproud MP, commissioned an *Independent Review into the Regulatory Capability and Culture of the Department of Agriculture and Water Resources in the Regulation of Live Animal Exports*. The purpose of the review was to assess the capability, powers, practices and culture of the Department as regulator of live animal exports in providing assurance to the government and the Australian community that our nation's high standards and regulations for animal welfare are being met. The review is intended to make recommendations on any improvements to regulatory and investigative performance to ensure persons involved in the live export trade are compliant with regulations and maintain high standards of animal welfare, and the department is a trusted regulator of the live animal exports trade.

The review is to be undertaken by an independent external reviewer (Phillip Moss AM), supported by a secretariat based in the Department of Agriculture and Water Resources with full access to the Department's staff and records in undertaking the review.

The Minister has commissioned the reviewer to assess and make recommendations on:

1. The regulatory powers available to the Department to ensure compliance with the Australian Standards for the Export of Livestock (ASEL) and animal welfare standards, how effective those powers are to ensure compliance by the live animal exports industry, and how effectively the department uses those powers.
2. How the Department assesses and determines regulatory conditions appropriate to achieve ASEL and animal welfare standards, and how those conditions are communicated and enforcement of them verified and measured.
3. The process for investigating reportable mortality events and complaints received about industry compliance with the ASEL and animal welfare standards.
4. The effectiveness of reporting obligations under relevant legislation.
5. Appropriate structures within the Department to ensure regulatory responsibilities are met, including whether an Inspector-General of Livestock Exports would provide superior oversight of the regulator.
6. The development and maintenance within the Department of an effective regulatory culture that delivers on animal welfare standards and the ASEL and in doing so supports a sustainable live animal exports industry.
7. The requisite skills, capabilities and systems for regulating the live animal export trade, as well as any improvements to support Departmental officers in their regulatory capacity.
8. The effectiveness of the Department's interaction with relevant State and Territory authorities (and applicable State and Territory legislation) as well as improvements to ensure the best level of Commonwealth/State and Territory cooperation can be achieved.
9. The ability of the Department to assess community expectations and its cultural capacity to respond, including the manner in which the Department engages with key stakeholders, including the live animal exports industry and supply chain, animal welfare organisations, other regulators, community stakeholders and international trading partners and governments.
10. Any related matter.



About us

The Australian Veterinary Association is the national organisation representing veterinarians in Australia. Our 9,500 members come from all fields within the veterinary profession. Clinical practitioners work with companion animals, horses, farm animals, including cattle and sheep and wildlife. Government veterinarians work with our animal health, public health and biosecurity systems while other members work in industry for pharmaceutical and other commercial enterprises. We have members who work in research and teaching in a range of scientific disciplines. Veterinary Students are also members of the Association.

Executive Summary

The Moss Review addresses the performance of the Department of Agriculture and Water Resources (DAWR, 'the Department') as a regulator. The review was commissioned in the context of concerns raised over the performance of the Department in the regulatory role of Livestock Export. Overall, the AVA is of the view that DAWR has been ineffective in its regulatory role in Livestock Export. In its actions and enforcement, the Department has not demonstrated integrity to the primary principle for the export of livestock, where the health and welfare of animals is the primary consideration at all stages of the livestock export chain. The Department has failed to act on known information and in so doing, has perpetuated poor animal welfare outcomes and unacceptable behaviour within the livestock export industry.

Recommendations

1. Reinstatement of an independent expert advisory body for national animal welfare coordination.
2. The components of the Heat Stress Risk Assessment Model, and the model algorithm are made transparent to facilitate independent verification.
3. Investment in technology is made to facilitate cloud based, real time, transparent, immutable reporting based on animal welfare indicators. Data should be secured using Blockchain technology. The resulting big data set must be used for ongoing scientific research and to inform science-based continuous improvements based on animal welfare indicators.
4. Investment in further resources for the Department is made to ensure the department has the requisite resources to fulfil its regulatory and investigatory role appropriately. Resources include financial and human resources. Specifically, the Department must be resourced with team members with the leadership skills, deep knowledge and understanding of the industry, animal health and welfare and epidemiology.
5. Triggers for investigation are revised. Triggers for investigation should include mortality, but also be automatically triggered by automated technology reporting environmental and animal welfare conditions and by reports and comments made by the Australian Accredited Veterinarians (AAVs). It is also critical that voyages are investigated at random, to prevent adjustment of rates to avoid investigation or the temptation or pressure to do as such.
6. Further development of a construct where AAVs are engaged by an independent, DAWR audited, third party provider.



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Introduction

The Moss Review addresses the performance of the Department of Agriculture and Water Resources (DAWR, 'the Department') as a regulator. The review was commissioned in the context of concerns raised over the performance of the Department in the regulatory role of Livestock Export. The AVA's primary area of expertise is to provide scientific advice on the health and welfare of animals. Ensuring animal health and welfare requires appropriate welfare and slaughter standards and an effective regulatory system to enforce the standards. Overall, the AVA is of the view that DAWR has been ineffective in its regulatory role in Livestock Export. In its actions and enforcement, the Department has not demonstrated integrity to the primary principle for the export of livestock, where the health and welfare of animals is the primary consideration at all stages of the livestock export chain. The Department has failed to act on known information and in so doing, has perpetuated poor animal welfare outcomes and unacceptable behaviour within the livestock export industry.

Livestock export regulatory framework

The regulatory framework for livestock export has complexities. The Department of Agriculture and Water Resources has had the regulatory responsibility for the livestock export under its current format since 2004.

The regulatory framework includes:

- Australian Meat and Live-stock Industry Act 1997
- Australian Meat and Live-stock Industry (Export Licensing) Regulations 1998
- Australian Meat and Live-stock Industry Regulations 1998
- Australian Meat and Live-stock Industry (Export of Live-stock to Saudi Arabia) Order 2005 Export Control Act 1982 Export Control (Animals) Order 2004

Three declarations made under section 7.03 and section 7.04 of the Export Control Animals Order 2004 relate to countries to which ESCAS applies.

The *Commonwealth Navigation Act 1912* and state-based animal welfare legislation also play a role in the regulation of the trade.

The Orders that relate to standards for the export of livestock are:

- Australian Meat and Live-stock Standards Order 2005
- Export Control (Animals) Order 2004

The standards are the Australian standards for the export of livestock (version 2.3) (ASEL).

ASEL sets out standards for the sourcing of export livestock, their management in registered premises, loading onto a vessel, management on board a vessel and air transport.

- 'Australian standards for the export of livestock (version 2.3)' and 'Australian position statement on the export of livestock'

Historically, the first standards, which covered pen design and ventilation, were set by the Commonwealth Department of Shipping and Transport's Livestock Advisory Committee. In the



1960s these were expanded to cover stocking densities and feed and water allowances. In 1997, the livestock export industry developed its own standards which formed part of the industry's self-regulated Livestock Export Accreditation Program (LEAP).

However, following the MV Cormo Express disaster in 2003 where nearly 6000 sheep died, the Keniry Livestock Export Review¹ recommended that the Federal Government should regulate the live animal export industry through an "Australian Code for the Export of Livestock". In response, in 2004 the LEAP standards were modified to form version 1 of the Australian Standards for the Export of Livestock (ASEL).

Since 2004, the ASEL have been subject to minor modifications, most recently in 2011². In 2013³ a substantive review was undertaken and a new version of ASEL was drafted but was not progressed due to a lack of consensus on its contents and a change of government prior to its scheduled release for public consultation.

The current version of the ASEL (version 2.3 2011⁴) applies to sheep, cattle, goats, buffalo, camelids and deer and is currently under review by a five-member Technical Advisory Committee.⁵ This Committee regularly liaises with a Reference Group consisting of industry⁶ and animal welfare⁷ bodies and will take submissions from interested parties in three stages. Recently, the timeline of this review has been revised to be finalised by the end of 2018.

The *Australian Position Statement on the Export of Livestock* (ASEL, 2011) and the ASEL standards take into account the relevant World Organisation for Animal Health (OIE⁸) guidelines for transport of animals by sea; these require space for animals to comfortably rest, move and access food and water, and that animals should not be transported at all during conditions of extreme heat and cold.

Compliance with the ASEL is a condition of an export licence, administered by the Australian Government Department of Agriculture and Water Resources (DAWR). Prior to loading on to the vessel, the Australian Animal Welfare Standards and Guidelines for (a) sheep and (b) for land transport⁹ also apply. However, in Western Australia, the Australian Animal Welfare Standards

¹ The Keniry Review is available at http://www.agriculture.gov.au/SiteCollectionDocuments/animal-plant/animal-welfare/trade/export-transport-review/keniry_review_jan_04.pdf

² The Farmer Review is available at http://www.agriculture.gov.au/Style%20Library/Images/DAFF/_data/assets/pdf/0007/2401693/indep-review-aust-livestock-export-trade.pdf

³ A review of the Australian Standards for the Export of Livestock is available at http://www.agriculture.gov.au/Style%20Library/Images/DAFF/_data/assets/pdf/0010/2389186/review-of-asel-and-lesag-final-report.pdf

⁴ Full Australian Standards for the Export of Livestock is available at <http://www.agriculture.gov.au/SiteCollectionDocuments/animal-plant/animal-welfare/standards/version2-3/australian-standards-v2.3.pdf>

⁵ The Technical Advisory Committee for the current review of ASEL consists of Dr Theresa Collins, Dr Hugh Millar, Mr Keith Shiell and Mr Russell Phillips and their expertise is available at <http://www.agriculture.gov.au/animal/welfare/export-trade/review-asel/tac-review-asel>.

⁶ Australian Livestock Exporters' Council, LiveCorp, Australian Maritime Safety Authority, Australian Dairy Farmers, Cattle Council of Australia, Sheep Producers Australia, Australian Buffalo Industry Council, Australian Alpaca Association

⁷ Australian Veterinary Association, Royal Society for the Prevention of Cruelty to Animals

⁸ The World Organisation for Animal Health (OIE) Standards are available at <http://www.oie.int>

⁹ Australian Animal Welfare Standards and Guidelines for (a) Sheep are available at <http://www.animalwelfarestandards.net.au/files/2011/01/Sheep-Standards-and-Guidelines-for-Endorsed-Jan-2016-061017.pdf> and (b) Land Transport of Livestock are available at



and Guidelines for livestock and land transport have not been formally adopted to facilitate enforcement under the state animal welfare legislation.

Since 2012, the Department of Agriculture and Water Resources also has responsibility for the Exporter Supply Chain Assurance Scheme (ESCAS)¹⁰. ESCAS is an assurance scheme centred on the country that receives the imported livestock that is based on four principles:

1. Animal Welfare: Animal handling and slaughter in the importing country conforms to the World Organisation for Animal Health (OIE) Animal Welfare Recommendations
2. Control through the supply chain: The exporter has control of all supply chain arrangements for livestock transport, management and slaughter. All livestock remain in the supply chain.
3. Traceability through the supply chain: The exporter can trace all livestock through the supply chain
4. Independent Audit: The supply chain in the importing country is independently audited.

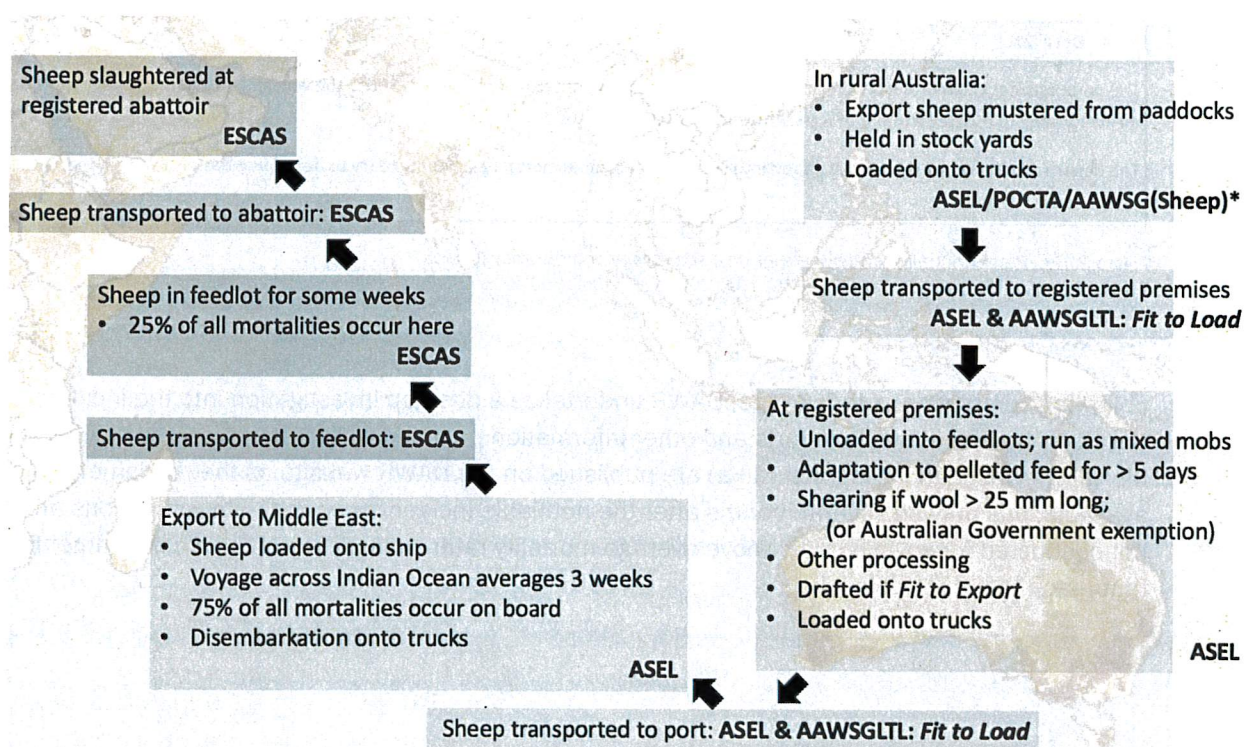


Figure 1. An example of the regulatory framework for live sheep from rural Australia to the Middle East. Different legislation covers sheep at different times of their journey, including State Government-dependent Prevention of Cruelty to Animals Acts (POCTA) which may or may not include the Australian Animal Welfare Standards and Guidelines for Sheep (AAWSG-Sheep)(*AAWSG-Sheep not included in Western Australian legislation); Australian Animal Welfare Standards and Guidelines for Land Transport of Livestock (AAWSGLTL); the Australian Standards for the Export of Livestock (ASEL); and the Exporter Supply Chain Assurance System (ESCAS).

<http://www.animalwelfarestandards.net.au/files/2015/12/Land-transport-of-livestock-Standards-and-Guidelines-Version-1-1-21-September-2012.pdf>

¹⁰ Information about the Export Supply Chain Assurance Scheme is available at

<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/information-exporters-industry/escas>



Voyage Reporting

Reporting to the regulator comprises of a combination of daily reports and an end of voyage report from the AAV that takes a standard format. The current reporting format focuses primarily on reporting mortalities. Additionally, the ASEL require that when voyage mortality levels reach a certain threshold, DAWR must be advised within 12 hours and a report provided that includes details of the mortalities, factors that may have contributed to the deaths, the current location of the vessel, its destination and estimated time of arrival. The threshold varies arbitrarily depending on livestock species and duration of voyage (Figure 2).

The Australian standards for the export of livestock (ASEL) defines a reportable mortality level by species on a voyage or air journey as, the percentages listed below or 3 animals, whichever is the greater number of animals

- Sheep and goats: 2%
- Cattle and buffalo on a voyage less than 10 days: 0.5%
- Cattle and buffalo on a voyage more than 10 days: 1%
- Camelids: 2%
- Deer: 2%

The on-board stockman or Australian Government Accredited Veterinarian, if one accompanies the voyage, must immediately report a reportable mortality level to the Department of Agriculture and Water Resources.

The department undertakes an investigation into livestock reportable mortality incidents to try to determine the cause of the mortalities and suggest future corrective action.

Figure 2. Reportable mortality level by species on a sea voyage or air journey (source <http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/investigations-mortalities>).

Following completion of the voyage, DAWR undertakes a desktop investigation into the incident based on the daily voyage reports and other information provided by the export company. These Mortality Investigation Reports (MIRs) are published on the DAWR website as they become available; this may be several months after the notifiable incident occurred¹¹. Investigations are not conducted for voyages with above average mortality rates unless they include consignments that reach the reportable level.

¹¹ Mortality Investigation Reports available at <http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/investigations-mortalities>



Livestock Export Aggregate Reporting

Every six months, under the terms of the *Australian Meat and Livestock Industry Act 1997*, the Federal Minister for Agriculture tables a report before each House of Parliament that summarises all voyages that have carried livestock from Australia in the preceding 6 months¹². Each report contains information on the date and duration of voyage, export licence holder, embarkation ports, disembarkation ports, numbers of different species on ship and mortalities. Table 1 shows a summary of this information for 2010 to 2017.

Table 1. A summary of livestock numbers shipped annually from Australia, and associated deaths that occur during loading, shipping and disembarkation (source: <http://www.agriculture.gov.au/export/controlled-goods/live-animals/live-animal-export-statistics/reports-to-parliament>).

All Voyages	2010	2011	2012	2013	2014	2015	2016	2017
Number of Voyages	286	182	203	233	347	350	314	275
Cattle Exported	848,265	718,025	626,504	776,583	1,307,579	1,325,527	1,109,513	889,525
Cattle Mortalities	1,192	1,067	681	830	1,638	1,451	1,485	923
Total Mortality Rate	0.14%	0.15%	0.11%	0.11%	0.12%	0.11%	0.13%	0.10%
Sheep Exported	3,001,976	2,592,028	2,199,999	1,897,270	2,249,643	2,007,549	1,759,340	1,741,314
Sheep Mortalities	26,825	19,212	19,407	14,067	16,147	12,403	14,094	12,377
Total Mortality Rate	0.89%	0.74%	0.88%	0.74%	0.71%	0.62%	0.80%	0.71%
Buffalo Exported	2,358	734	831	798	4,068	5,122	4,230	7,214
Buffalo Mortalities	1	9	1	1	19	11	22	40
Total Mortality Rate	0.04%	1.22%	0.12%	0.13%	0.47%	0.22%	0.52%	0.55%
Goats Exported	1,885	0	1,245	1,080	850	1,000	0	0
Goats Mortalities	13	0	1	0	1	0	0	0
Total Mortality Rate	0.69%	0%	0.08%	0%	0.11%	0%	0%	0%

Every year, Meat and Livestock Australia publish a performance report for the national livestock export industry – sheep, cattle and goat transport, which summarises the industry performance for these species in terms of mortality levels of animals exported by sea and air from Australia in the year in question. Data is obtained from the ship Masters' Reports, as well as from loading, voyage and discharge reports.

¹² Six-monthly reports tabled in Parliament are available at <http://www.agriculture.gov.au/export/controlled-goods/live-animals/live-animal-export-statistics/reports-to-parliament>



Recommendation 1: Regulatory Powers

1. The regulatory powers available to the Department to ensure compliance with the Australian Standards for the Export of Livestock (ASEL) and animal welfare standards, how effective those powers are to ensure compliance by the live animal exports industry, and how effectively the department uses those powers.

The regulatory framework for livestock export is complex. The regulatory powers available to the Department are limited by the interaction between State and Commonwealth law, the ability to act on incidents in international waters and the ability to act regarding incidents at the point of discharge. Compliance with the ASEL and Exporter Supply Chain Assurance System (ESCAS) requirements are conditions of an Export Licence. As identified in the McCarthy¹³ review, approved arrangements have advantages and disadvantages. While approved arrangements are supported by legislation, they provide more flexibility and a lower cost than alternate regulatory structures. However, the approved arrangement regulatory framework allows for a moderate amount of discretion on the part of individuals at the Department of Agriculture and Water Resources. This provides the opportunity for weaknesses in the regulatory framework to be exploited, and based on the current evidence, the level of objective positive assurance provided to DAWR of standards compliance appears inadequate to make a transparent and reliable judgement. Moreover, there appears to be a lack of clarity and communication between the commonwealth and state jurisdictions regarding their relative roles and when state acts apply. Where reportable events have occurred historically, DAWR appears to have been ineffective in the provision of sufficient enforcement to deter ongoing non-compliance. There is scope to clarify and strengthen the enforcement powers and the transparency of the Department in its activity to regulate livestock export. However, while there are limitations to the powers of the Department, the Department has been ineffective in the use of powers currently available to them.

Recommendation 2: Regulatory Conditions

2. How the Department assesses and determines regulatory conditions appropriate to achieve ASEL and animal welfare standards, and how those conditions are communicated and enforcement of them verified and measured.

As indicated in the McCarthy review, the current regulatory conditions are based on mortality as the primary indicator of animal welfare. Mortality is used by the Department and also in the heat stress risk assessment model. The AVA supports the recommendations of the McCarthy review (Recommendations 3–6) that mortality is a poor and limited indicator of animal welfare, and measures of animal welfare should be the primary basis of the regulatory conditions and the Heat Stress Risk Assessment Model, not mortality.

To grant an export licence, the Department sights the voyage and vessel load plan, and heat stress management plans guided by the industry Heat Stress Risk Assessment Model (HSRA). In

¹³ The McCarthy Review is available at <http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/history/review-northern-summer>



its current form, the components and algorithms of the Heat Stress Risk Assessment model are not publicly available, and this limits independent assessment and transparency.

Measurement, communication, verification and transparency of standard compliance requires investment in technology solutions on the part of the department and the exporters. It is essential that technology solutions are leveraged to ensure the changes that are made are a fit for 2018 and beyond. The ultimate reporting solution will need to incorporate data such as animal welfare indicators, treatment records, location, stocking densities, and automated readings from temperature and humidity monitoring devices.

This information should be provided in real-time utilising cloud-based technologies and secured by Blockchain technology. Blockchain is a distributed, immutable data ledger that stores records, known as blocks. Blocks can store various types of information, for example, animal welfare indicators, treatment records, stocking densities, automated readings from temperature and humidity monitoring devices for the case of live animal export. The blocks, collectively known as 'Blockchain', are stored on distributed nodes, which ensures that no single person or entity can manipulate the ledger or database without everyone else knowing. Furthermore, once a block is added to the Blockchain, it is immutable, which results in data accuracy and maintenance.

Real time reporting, through the use of Blockchain and cloud technology, would remove any potential for delay in the Department acting on animal health and welfare concerns flagged through this reporting, and facilitates a greater level of automation. The data collected through these technology solutions would also form a big data set that can be used for ongoing scientific research and inform science based continuous improvements.

Furthermore, investment in technology solutions also facilitates the level of transparency that the AVA, animal welfare organisations, industry, producers and the public are seeking from the regulator. Reports from all voyages, not only the voyages triggering the reportable level should be transparent to the community.

Recommendation:

The components of the Heat Stress Risk Assessment Model, and the model algorithm are made transparent to facilitate independent verification.

Investment in technology is made to facilitate cloud based, real time, transparent, immutable reporting based on animal welfare indicators. Data should be secured using Blockchain technology. The resulting big data set must be used for ongoing scientific research and to inform science-based continuous improvements based on animal welfare indicators.

Recommendation 3: Investigation of Reportable Mortality and Complaints

3. The process for investigating reportable mortality events and complaints received about industry compliance with the ASEL and animal welfare standards.

The Australian Veterinary Association has significant concern regarding the standard procedures used for investigating mortality events and non-compliance. The Department has based investigation triggers on the assumption that where a live export vessel has: an Australian Accredited Veterinarian, an Accredited Stockman, and a mortality under the reportable level, the



welfare of the animals on board has been satisfactory. The AVA considers this assumption to be fundamentally flawed and has significantly contributed to DAWR being ineffective in its regulatory role. Firstly, mortality is a poor and limited indicator of animal welfare. Secondly, the knowledge of this standard operating procedure in the industry creates cultural pressure to keep mortality reports under the trigger for investigation, Australian Accredited Veterinarians also report concern that unless reportable mortality exceeds the threshold, investigations are not triggered based on information they report to the department.

Triggers for investigation should include mortality, but also be triggered based on automated technology reporting of exceeding animal welfare conditions and reports and comments made by the Australian Accredited Veterinarians (AAVs). It is also critical voyages are investigated at random, to prevent adjustment of rates to avoid investigation or the temptation or pressure to do as such.

It is also critical that the Department has sufficient resources to undertake voyage investigations appropriately. Resources include funding, and in addition team members with the leadership skills, deep knowledge and understanding of the industry, animal health and welfare and epidemiology, to effectively perform the regulatory and investigatory role of DAWR.

For example, a recent issue occurred in relation to the release of footage from voyages that have been reported to and investigated by the Department. While the footage was disturbing, it was also consistent with the known mortalities on the voyage. Yet, prior to the public release of the footage, no punitive action was taken by the Department.

Recommendation:

Investment in further resources for the Department is made to ensure the department has the requisite resources to fulfil its regulatory and investigatory role appropriately. Resources include financial and human resources. Specifically, the Department must be resourced with team members with the leadership skills, deep knowledge and understanding of the industry, animal health and welfare and epidemiology. Triggers for investigation are revised. Triggers for investigation should include mortality, but also be automatically triggered by automated technology reporting environmental and animal welfare conditions and by reports and comments made by the Australian Accredited Veterinarians (AAVs). It is also critical that voyages are investigated at random, to prevent adjustment of rates to avoid investigation or the temptation or pressure to do as such.

Recommendation 4: Effectiveness of Reporting Obligations

4. The effectiveness of reporting obligations under relevant legislation.

The Australian Accredited Veterinarians (AAVs) report diligently daily and at the end of voyages. For this reporting to be effective, it must be systematically and routinely acted upon. As indicated, the effectiveness of reporting obligations could be improved through utilisation of cloud based and Blockchain technology solutions and a move to indicators of animal welfare over mortality.



Furthermore, the AAVs are employed to accompany animals on the voyages, but anecdotal information indicates that there is little, or uncoordinated oversight of loading, disembarkation and slaughter. Coordinated and continuous veterinary oversight is essential to ensure animal health and welfare throughout the supply chain.

It is incumbent on DAWR as the regulator to ensure that they communicate with the AAVs to ensure that they have all of the required information to fulfil their obligations and are supported by the regulator in discharging their duties. It is also the responsibility of DAWR as the regulator to act appropriately on the information they receive from the veterinary reports in a timely fashion and ensure that veterinary animal welfare experts undertake investigations as required. If for any reason, an AAV fails to report as expected, it is the responsibility of DAWR as the regulator, to follow this up to ensure that it occurs.

Recommendation 5: DAWR Structures and Inspector General

5. Appropriate structures within the Department to ensure regulatory responsibilities are met, including whether an Inspector-General of Livestock Exports would provide superior oversight of the regulator.

Meeting regulatory responsibilities requires the appropriate structures and culture within the department to ensure that the teams responsible for enforcement have the support of senior department administrators and government ministers to enforce the standards where breaches occur.

Recommendation 6: Regulatory Culture

6. The development and maintenance within the Department of an effective regulatory culture that delivers on animal welfare standards and the ASEL and in doing so supports a sustainable live animal exports industry.

Meeting regulatory responsibilities requires the appropriate structures and culture within the Department to ensure that the teams responsible for enforcement have the support of senior department administrators and government ministers to enforce the standards where breaches occur. The Department has repeatedly demonstrated a reluctance to enforce breaches of standards and in doing so have perpetuated unacceptable behaviour within the industry, compromised animal welfare and created a culture of disregard for the regulations and animal health and welfare. Moreover, ineffective regulatory enforcement, especially prior to loading and vessels leaving port has repeatedly placed AAVs in impossible situations where animal health and welfare is at significant risk, but are extremely limited in their capacity to change the largest contributing factors, principally destination, climatic conditions and stocking densities.

Recommendation 7: Skills of the Regulator

7. The requisite skills, capabilities and systems for regulating the live animal export trade, as well as any improvements to support Departmental officers in their regulatory capacity.



Recent evidence supports the view that the Department does not have the requisite skills, culture or commitment to animal welfare. The AVA would like to see DAWR equipped with sufficient resources and personnel with the leadership skills, understanding of the industry, and veterinary animal welfare and epidemiology expertise to investigate and enforce the regulations.

As indicated, investment in technology is required to facilitate cloud based, real time, transparent, immutable reporting based on animal welfare indicators. The resulting big data set must be used for ongoing scientific research and to inform science based continuous improvements based on animal welfare indicators.

Recommendation 8: State and Commonwealth Cooperation

8. The effectiveness of the Department's interaction with relevant State and Territory authorities (and applicable State and Territory legislation) as well as improvements to ensure the best level of Commonwealth/State and Territory cooperation can be achieved.

There is significant scope for improvement in the communication, relationship and clarification of regulatory powers between the Commonwealth and the jurisdictions. As the majority of the livestock export trade leaves from the Port of Fremantle, it is also essential that the relevant standards are incorporated under the Animal Welfare legislation in Western Australia. At the intersection of state and federal regulations, there needs to be clear arrangements in place regarding regulatory powers and the responsibility for enforcement. It is also critical that communication is improved such that the commonwealth and the jurisdictions do not give conflicting advice. For example, in the case of AAVs, the previous advice of the Commonwealth was that veterinarians only needed to be registered in one state in Australia. However, this advice has recently been contradicted by the Veterinary Surgeon's Board of Western Australia, who advised that 'the Veterinary Surgeon's Board of Western Australia requires Australian Accredited Veterinarians on export voyages leaving the Port of Fremantle to be registered in Western Australia'

Recommendation 9: Stakeholder Engagement

9. The ability of the Department to assess community expectations and its cultural capacity to respond, including the manner in which the Department engages with key stakeholders, including the live animal exports industry and supply chain, animal welfare organisations, other regulators, community stakeholders and international trading partners and governments.

Commonwealth response to animal welfare issues has suffered following the disbanding of the Australian Animal Welfare Strategy (AAWS). AAWS provided a framework to identify priorities, coordinate stakeholder action and improve consistency across all animal use sectors, including livestock export. The role of AAWS was to build on Australia's current arrangements, including state and territory legislation, standards, guidelines, codes of practice, industry quality assurance programs, education and training and research and development. In its charter, it acknowledged the importance of broad engagement with industry, governments, professional associations, service providers, researches and welfare organisations to accurately assess issues and develop robust solutions. Since the disbanding of AAWS, there has not been a robust alternative instituted



to manage these functions. A lack of national animal welfare coordination was identified in Australia's World Organisation for Animal Health (OIE) PVS Report¹⁴. The AVA recommends reinstating independent expert advisory body for national animal welfare coordination.

Recommendation:

Reinstatement of an independent expert advisory body for national animal welfare coordination.

Recommendation 10: Other: AAV Structure

10. Any related matter.

Under the current arrangements, the AAV is selected and employed by the exporter. This creates the opportunity for agency problems, particularly in the content of the Department's regulatory culture and the current processes for reporting. The role of the AAV should be to care for the health and welfare of the animal on board, and independently report on animal health and welfare measures. Investing in technology solutions, including cloud based automatic measurements, app-based animal welfare indicator reporting and securing the reporting with Blockchain technology is critical to ensuring the integrity of veterinary reporting in a manner fit for 2018 and beyond. Utilising technology solutions greatly assists in mitigating many of the potential agency problems. Additionally, the AVA recommends that the AAVs are engaged by an independent, DAWR audited, third party provider to mitigate the potential for agency problems where the AAVs are paid or selected directly by the exporter. We also note that this recommendation was included in Australia's OIE PVS report in 2015.

In our view, it is critical for the live export industry to have veterinarians embedded in the executive leadership teams of export companies to oversee animal health, welfare and compliance. This is a critically important role as animal welfare must be ensured at all stages of the supply chain, and this requires veterinary oversight into all aspects of the supply chain. The role of these veterinarians is separate to the role of the AAVs.

Recommendation:

Further development of a construct where AAVs are engaged by an independent, DAWR audited, third party provider.

¹⁴ Australia's OIE PVS Report is available at <http://www.oie.int/solidarity/pvs-evaluations/pvs-evaluation-reports/>



Conclusion and Key Recommendations

Overall, the AVA is of the view that the Department has been ineffective in its regulatory role in the context of Livestock export. This submission has made several recommendations to remedy this situation including:

1. Reinstatement of an independent expert advisory body for national animal welfare coordination.
2. The components of the Heat Stress Risk Assessment Model, and the model algorithm are made transparent to facilitate independent verification.
3. Investment in technology is made to facilitate cloud based, real time, transparent, immutable reporting based on animal welfare indicators. Data should be secured using Blockchain technology. The resulting big data set must be used for ongoing scientific research and to inform science-based continuous improvements based on animal welfare indicators.
4. Investment in further resources for the Department is made to ensure the department has the requisite resources to fulfil its regulatory and investigatory role appropriately. Resources include financial and human resources. Specifically, the Department must be resourced with team members with the leadership skills, deep knowledge and understanding of the industry, animal health and welfare and epidemiology.
5. Triggers for investigation are revised. Triggers for investigation should include mortality, but also be automatically triggered by automated technology reporting environmental and animal welfare conditions and by reports and comments made by the Australian Accredited Veterinarians (AAVs). It is also critical that voyages are investigated at random, to prevent adjustment of rates to avoid investigation or the temptation or pressure to do as such.
6. Further development of a construct where AAVs are engaged by an independent, DAWR audited, third party provider.