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Dear Dr McEwen,

The Australian Livestock Exporters' Council (ALEC) is a member-based, peak industry body representing Australia's livestock export sector which contributes over \$1 billion in export earnings annually while employing 13,000 mainly regional Australians. ALEC provides strategic direction to the industry, sets industry policy and represents Australia's livestock export trade in Australia and internationally.

ALEC members account for more than 96 per cent of Australia's annual livestock exports, by volume and value. ALEC's membership also extends to supply chain participants including registered premise operators, ship owners, feed suppliers and other service providers to the trade. More on the importance of the livestock export industry to Australian agriculture and the economy can be found at Attachment 1.

Australian livestock exporters and producers are significantly affected by the implementation of recommendations from the Review of the Australian Standards for the Export of Livestock (ASEL). As such, ALEC welcomes this opportunity to comment on the Department of Agriculture's (the department) *Implementation of ASEL Sea Review Recommendations consultation paper* (the consultation paper). This submission was informed by a detailed technical paper developed by LiveCorp.

In setting regulatory standards, it is important to note that much of what ALEC proposes in this submission are minimal standards. ALEC notes many of its members continually exceed these standards. In addition, we acknowledge that adjustments to some recommendation will have "knock-on" effects for other recommendations as well. For expediency we have not highlighted these in this submission.

1. Strengthening the process for applications to approve a management plan

The process for approving a management plan needs improving and as such, strengthening this process as described in the consultation paper is supported. As with all regulated industries, the regulation needs to be efficient, predictable and consistent. It is, therefore, important to that any strengthened process is supported by a competent regulatory cohort to ensure processes implemented are consistently interpreted and applied.

2. Recommendation 7: heavy cattle and buffalo management plan

Heavy cattle and buffalo above 500kg need to be managed appropriately to mitigate the increased risk of mortality and physical trauma due to their behavioural traits and weight.

The proposed amendments to the existing guideline, Appendix B of the consultation paper, are sensible. However, the practicalities and animal welfare implications of weighing individual heavy cattle and buffalo needs to be further considered.

ALEC therefore recommends the adoption of weight grouping to avoid the necessity of weighing every individual animal. Weight grouping satisfies the intent of recommendation 7 of the ASEL Sea Review and in addition, will deliver significant animal welfare improvements and reduce potential work health and safety risks.

3. Recommendation 16: pregnancy test validity

ALEC supports the proposed provisions to use an approved blood test to determine cattle to be not detectably pregnant and, to extend the validity of an approved pregnancy test where breeder cattle were diagnosed as not detectably pregnant from the current limit of 30 days to a new standard of 60 days. Noting the intent of ASEL is to ensure that livestock are not more than 6 months pregnant at the time of export, the proposed new standard of 60 days by the department is a practical and sensible approach that is commended. Note that this does not preclude exporters from adopting a 30 day limit for their purposes, noting the position of producer groups seeking to apply a 30 day limit.

The proposed process and criteria provided in Appendix C of the consultation paper is therefore also supported.

4. Recommendation 19: registered premises mortality report

At the outset, ALEC questions the department's rationale for collecting very detailed information on mortalities from registered premises. The original Technical Advisory Committee (TAC) recommendation was based on a desire to analyse the relationship between space allowances in registered premises and mortalities. The implementation proposal, however, goes beyond the original intention. The proposed report will include:

- Location in the registered premises where the mortality occurred
- Tag number (NLIS, RFID or export tag)
- Date the animal arrived in the registered premises
- PIC transferred from
- Species/breed/gender/age of animal
- Date of mortality of animal
- Diet (including type and source)
- Cause of death (where known)

Noting the original TAC recommendation, to investigate the relationship between space allowances in registered premises and mortalities, information would only be required on number of mortalities and space allowance. However, information on space allowances is not being sought in the department's proposal. Instead, the proposal requires the collection of information such as tag number (NLIS, RFID or export tag), date the animal arrived in the registered premises, PIC transferred from and diet (including type and source). These items would appear to have no or only minimal relevance to the relationship proposed to be investigated.

Outcome-based regulation is meant to act as an incentive for good performance. Requiring exporters to collect very detailed information on mortalities from registered premises without a robust rationale, fails to meet the definition of outcomes-based regulation and can only therefore be described as unnecessary regulatory burden, particularly when no such data is collected from domestic feedlots.

Both ALEC and LiveCorp have commented in previous submissions that enormous amounts of data are collected on live export voyages, but this data has only received minimal use. If considerable extra data is to be collected related to mortalities in registered premises, a benefit cost case needs to be made.

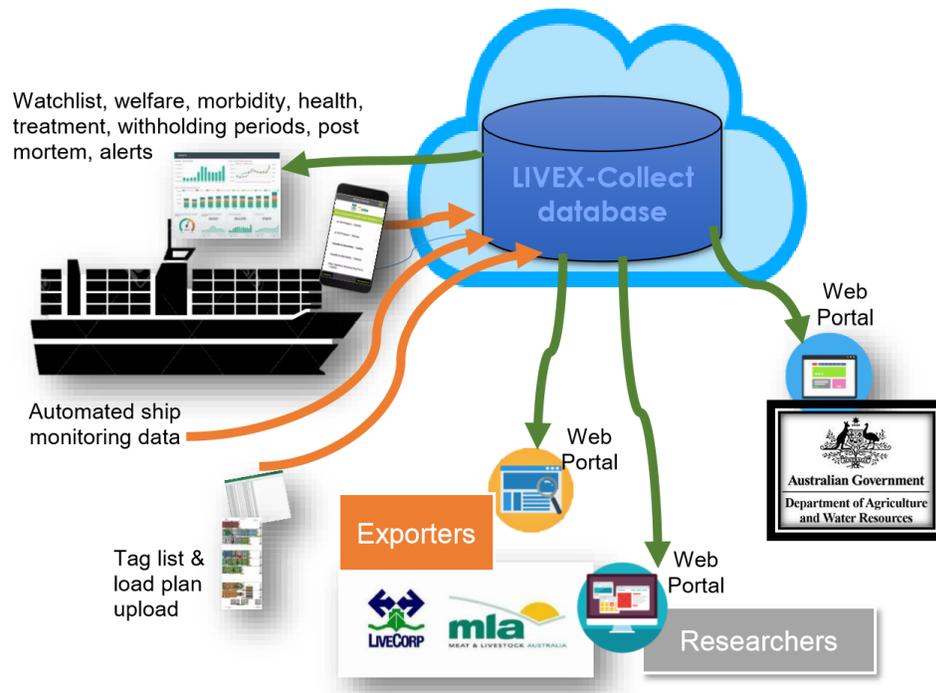
ALEC also questions why the department has deemed it necessary for the responsibility of registered premises mortality reporting to sit with exporters, when it is more appropriately a registered premises responsibility. Further refinement is necessary; therefore, ALEC recommends that the implementation of recommendation 19 be postponed until these concerns can be appropriately addressed.

Notwithstanding, if a benefit cost case can be made for the collection of some additional data, the data should be collected via the most efficient mechanisms available. The livestock export industry is firmly of the view that the Tracking Animal Certification for Export, or TRACE, system lacks intuition and is clunky to use. If required, data reporting would be better undertaken through the LIVEX-Collect App.

With the move towards using animal welfare based measures for assessing performance of the live export industry, which inevitably involves greater levels of data collection, the industry and LiveCorp realised that easier methods of data input were required, as were greater standardisation of data and better storage / access mechanisms.

LiveCorp is currently in the process of streamlining the entry, storage and accessibility of live export data. The system being developed by LiveCorp, known as LIVEX-Collect, to streamline the entry, storage and accessibility of live export data, is depicted in Figure 1.

Figure 1: The LIVEX-Collect system



The LIVEX-Collect system has already been trialed and all elements of the system will be ready for roll out in early 2020. Additional data collected at a registered premises, if required, should be part of the LIVEX-Collect system. Initially this would involve the inclusion of registered premises mortalities data, but in the future might be expanded to other indicators of animal welfare. The Department would have access to this system through a web portal.

5. Recommendation 22: alternative pen space

ALEC has consistently argued against setting space allocations based on the allometric equation and a k-value of 0.030. Such a decrease is not justified for any voyage, but it is particularly not justified for short haul voyages or for voyages and trades shown currently to be performing well. Even the alternative pen space (k-value of 0.027) will impose significant costs for the limited opportunities it can be accessed. Changing regulations that add millions of dollars of costs to the industry, significantly reducing prices paid to producers, should require the existence of convincing confirmatory evidence. Based on all the information available to ALEC, such evidence does not exist – either there is no evidence at all, or the evidence is weak and conditional.

The duration of voyages to Indonesia can be as little as three days. Three days is not much more than the 48 hours that cattle (or sheep) are able to be trucked or railed using the Australian Land Transport Standards before being spelled. The Australian Land Transport Standards only provide sufficient space for animals to stand. On short voyages to Indonesia (and on other voyages) ALEC is proposing sufficient space for animals to lie down simultaneously.

Voyages to near Asian neighbours typically experience very low mortalities. Of the more than 8 million cattle shipped to Southeast Asia since mid-2004 less than 0.1 of 1% have died.

From an examination of voyage investigation reports for South East Asia since 2012 stocking density has not been an identified causal factor for the few mortalities that have occurred.

Even for some longer voyages, mortalities and welfare incidents can be quite low due to the nature of the trade. For instance, the trade to China has been dominated by shipments of young *Bos taurus* breeder heifers. These are animals that experience few problems. More than 675,000 cattle were shipped to China between mid-2004 and the end of 2017, yet only 817 deaths were recorded, an average mortality rate of 0.12%.

Based on all the evidence before it, ALEC is strongly opposed to use of a k-value of more than 0.027 at this time, especially for short haul voyages and other voyages and exporters with a demonstrated history of good performance.

The use of 0.05% mortalities as a measure of performance

A mortality rate of 0.05% is proposed by the department as a performance measure an exporter must attain to access the alternative pen space allowance. The following are identified issues associated with use of 0.05% mortalities as a measure of high performance:

- The level of 0.05% is set inappropriately low;
- Not a true measure of actual performance;
- The impact of reportable incidents as a rejection criterion; and
- Consequences of calculating mortalities across voyages irrespective of the average voyage.

Each of these issues is discussed further below.

The mortality percentage is set inappropriately low

From limited available data, a 0.05% level of mortalities is set at a level significantly lower than is typically achieved across other modes of transport and in intensive cattle operations generally. Mortality performance of the live export sector is already excellent and, from data available to us, superior to that achieved in comparable domestic situations. Although a limited number of exporters met the Government's benchmark in 2018 for voyages to Indonesia only, this is likely more associated with chance and the type of shipments undertaken by these exporters rather than true superior performance.

Mortalities across other modes of transport

Very little data exists on livestock mortalities in Australia across other modes of transport¹, but from the little available data it appears as though mortalities are well above 0.05%:

- Cave et al, 2005, calculated the mortality rate from road transport for bobby calves in Australia at 0.6%².

¹ While mortality rates for live exports are readily available, not only in Australia, but for a number of other countries, the same statistics do not exist for domestic transport operations.

² Cave J.G., Callinan A.P.L., Woonton W.K., 2005, "Mortalities in bobby calves associated with long distance transport", *Australian Veterinary Journal*, Vol 83, pp:82-84.

- Similarly, a survey of mortalities among cattle transported by rail in Queensland in the late 1970s revealed a rate of 0.4%³.
- For sheep:
 - The mortality rate for sheep transported by road in Queensland in 1988 was found to be 0.7% to 1.6%⁴
 - In southern Australia, when travelling relatively short distances by road to deliver sheep to a depot, Makin et al determined a mortality rate of 0.1%. However, the authors noted that, within this average, the risk of mortality for sheep that had travelled 800km or more was 3.4 times greater than for sheep that had travelled less than 200km⁵. These are journey's much shorter than even the shortest journeys by sea (noting that many studies have correlated mortalities in either in intensive operations or while being transported to duration).

While recognising that the above data is not comprehensive, available evidence across other modes of transport indicates that mortality levels are much higher than the 0.05% being proposed by the department as a performance measure for live exports (to access the improved stocking densities). If the Department has access to data that leads to a different conclusion, ALEC requests that these data be made available.

Mortalities in intensive cattle operations

As for other modes of transport, very little publicly available data exists on mortalities in intensive cattle operations in Australia. However, one large study on mortalities in Australian feedlots was published in 2015⁶. The focus of this study was Bovine Respiratory Disease (BRD), which involved tracking over 35,000 cattle through medium and large feedlots, however this study does contain some information on feedlot mortalities generally.

The following information on mortalities in Australian feedlots is contained in this study:

- 0.7% of cattle entering Australian feedlots die from BRD.
- About the same percentage die from other causes.
- From the cattle traced in this study, total deaths are 1.4% of feedlot entries.
- 0.63% of deaths from BRD occur within the first 35 days.

³ Tobin J., 1981, *Railed-cattle losses in Queensland*, Report produced by the Queensland Meat Industry Organization and Marketing Authority.

⁴ Shorthose W.R., Wythes J.R., 1988, "Transport of sheep and cattle", *34th International Congress of Meat Science and Technology* as cited in Knowles T.G., 1998, "A review of the road transport of slaughter sheep", *The Veterinary Record*, Vol. 143 No 8, pp:212-9.

⁵ Makin K.J., Perkins N., Curran G., House J.K., Road Transportation of Sheep – Mortality during Transport and Rejection on Arrival, <https://www.google.com.au/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=2ahUKEwjCyK2AmfnhAhWWfCsKHcSvAkQQFjAAegQIBBAC&url=http%3A%2F%2Fwww.sciquest.org.nz%2Flibrary%2Fdownload%2F67829%2FT2-4.3.4%2B-%2BRoad%2Btransportation%2Bof%2Bsheep%253A%2Bmortality%2Bduring%2Btransport%2Band%2B rejection%2Bon%2Barrival&usg=AOvVaw3DYdYIR3Og5CVJ1p9qomAM>.

⁶ Barnes, T., Hay, K., Morton J., Mahony, T., 2015, "Epidemiology and management of bovine respiratory disease in feedlot cattle, Part A: Epidemiology study", Project B.FLT.0225, Meat & Livestock Australia, October.

- If it is assumed that other deaths follow a similar temporal pattern, feedlot mortalities in the first 35 days are 1.2%.

The average live export voyage duration to Indonesia is 8 days⁷. Given this voyage duration, and assuming that feedlot mortalities are distributed evenly across the 35 days, if the mortality performance of the live export sector was equivalent to the Australian feedlot sector (which is excellent), we would expect live export mortalities on voyages to Indonesia to average 0.28%.

- From this data, the department is setting a benchmark for livestock exporters to access the alternative pen space that is about **one-sixth** of the excellent performance achieved by Australian feedlots.

We recognise that feedlot mortalities may not be distributed evenly across the 35 days but, even with this taken into account, from available evidence it appears that the department is setting mortality benchmarks for livestock exports well below those achieved in comparable domestic situations. Again, if the Department has access to data that leads to a different conclusion, ALEC requests that these data be made available.

Mortalities by exporters for Indonesia and Vietnam

Reports to Parliament by the Department have been used to examine mortalities by exporter to Indonesia and Vietnam. Results are shown in Tables 1 and 2. Results shown in Tables 1 and 2 are restricted to voyages when Indonesia and Vietnam are the only destination markets, respectively, and the voyage only involves one exporter⁸.

Table 1: Mortalities by exporter to Indonesia

Exporter	Cattle loaded	% mortalities
Exporter 1	107,777	0.064%
Exporter 2	101,292	0.054%
Exporter 3	63,268	0.070%
Exporter 4	46,441	0.030%
Exporter 5	34,474	0.035%
Exporter 6	33,490	0.057%

⁷ Department of Agriculture, 2019, Reports to Parliament, <http://www.agriculture.gov.au/export/controlled-goods/live-animals/live-animal-export-statistics/reports-to-parliament>. 2018 data has been used involving voyages just to Indonesia (rather than Indonesia and another country).

⁸ The data extracted may involve voyages where there are a number of discharge ports in these markets. These restrictions were placed on the voyage because data was only accessible for entire voyages and for all exporters involved with the voyage (meaning that where the voyage involved multiple markets or multiple exporters it was impossible to tease out the contribution of individual exporters or markets).

Exporter 7	25,310	0.032%
Exporter 8	23,515	0.026%
Exporter 9	4,014	0.000%

Table 2: Mortalities by exporter to Vietnam

Exporter	Cattle loaded	% mortalities
Exporter 1	76,166	0.15%
Exporter 2	39,563	0.22%
Exporter 3	26,839	0.17%
Exporter 4	13,328	0.27%
Exporter 5	13,270	0.39%
Exporter 6	8,117	0.18%
Exporter 7	5,701	0.19%
Exporter 8	4,609	0.07%
Exporter 9	4,473	0.16%
Exporter 10	1,070	0.19%

Table 1 & 2 show that four exporters met the department's criteria of 0.05% for Indonesia, but none met it for Vietnam, or even got close (apart from one very small exporter). Other markets in South East Asia that have been examined also indicate mortality rates well in excess of the department's 0.05% benchmark. As explained in the next section, the fact that four exporters met the Department's criteria for Indonesia (on the restricted type of voyage examined) may have very little to do with the actual performance of these exporters, but may be related to the type of voyage these exporters undertake which makes the performance target easier to meet.

The size of the hurdle that the department expects exporters to leap should not be underestimated and needs to be put into perspective. If an exporter ships 100,000 cattle to Indonesia, a maximum of 49 can die in order to meet the department's benchmark. This is an extraordinarily low number. This small number of cattle could die in one shipment due to misadventure or unforeseen disease. From available data, these are not numbers achieved in the domestic industry – the department is expecting exporters to secure results superior to those normally seen domestically.

An outcome-based regulation is meant to act as an incentive for good performance. If the benchmark is set too tightly, however, leading to a result more determined by chance or the nature of the business being conducted, there is no incentive – people just concede defeat in meeting the goal.

The benchmark suggested is unlikely to truly measure underlying performance

The benchmark being set by the department of 0.05% mortalities is equivalent to less than 10 cattle dying in the 20,000 head (the “sample size” being suggested by the Department⁹).

In the sample size suggested by the department, it is the livestock export industry’s view that achievement of the benchmark will be more determined by chance rather than true performance. Industry believes that a much larger sample size would be needed for the measure to reflect true performance – of the order of 100,000 head or perhaps even more.

If the Department believes that 10 cattle dying in a sample of 20,000 can be used as a true indicator of exporter performance it should provide statistical proof of this proposition – on our knowledge of the data and understanding of probabilities and statistical theory, the proposition has almost zero chance of being proved valid. We note, in this context, that previous material submitted by the industry to departmental inquiries over the last 12 months has been rejected / ignored on the basis that the material had not been peer reviewed. Given this stance, it is surely appropriate for the department to show that the indicator of performance being proposed is valid statistically as representing the true performance of exporters and not due to chance.

We also note that 20,000 head for small exporters will be very hard to meet. For instance, exports to Vietnam based on data cited in Table 2 (noting the conditionality of this data), only the top 3 exporters had shipments of 20,000 in the annual period. It would be even harder to meet for markets other than the “big two”. The department suggests two ways that this might be addressed:

- Groupings ‘like’ markets where there are “grounds to do so” - particularly for smaller markets in the same geographical location and that take the same class of livestock.
- Calculation of the benchmark on voyages for up to the previous 24 months to reach a minimum of 10 voyages or 20,000 cattle, whichever total is reached first when counting backwards from 12 months.

Although market groupings may be a partial solution, the department needs to provide full details (i.e. demonstration that it represents a practical solution). We also see potential problems with this solution.

In relation to the 24 months, we note that the Department placed great emphasis on the fact that, although the mortality benchmark being set was very low, other changes including:

- increased time in registered premises;
- allometric-based stocking rates; and

⁹ We note that the Department also allows the benchmark to be calculated on 10 voyages, presumably in circumstances where 20,000 head has not been achieved in the last 12 months. Because the 10 voyages will involve even less cattle it is subject to similar comments to those pertaining to use of 20,000 head.

- a number of industry-based initiatives

would make this target achievable. As observed in the previous section, given the excellent performance of the live export sector, we rather doubt that the changes referred to will make the quantum difference the department believes. Even if the department is correct, for a smaller exporter, a 24-month wait is potentially required before the superior performance, brought about by changes which are imposing costs, are recognised.

Impact of reportable mortality incidents

Two criteria listed in the department's guidelines to access the alternative space arrangements are that the exporter:

- has not had a reportable mortality incident in that market in the previous 12 months.
- has not had a reportable mortality incident in any other market in the previous 12 months, where the voyage used the alternative pen space allowance.

The implication is that the very existence of a reportable mortality incident is enough to trigger refusal of access to the alternative space arrangements whether an investigation finds the exporter at fault or not (noting that there is always an investigation into a reportable mortality incident). The rationale for this needs to be clearly explained by the department.

More generally, it is our view, that tracking and analysing mortalities over time represents a superior method of assessing an exporter's performance. It is important to note that Approved Arrangements already provide a mechanism for this to occur:

An exporter's mortality rate will be reviewed against its 12-month rolling average every six months, at the time of audit. If an exporter's mortality rate has significantly increased above its average over the past 12 months, the department will notify the exporter and an internal system review may be required. If an exporter's mortality rate continues to increase over subsequent six-monthly periods and exceeds the industry average, a performance or system audit may be conducted by a departmental auditor. The outcomes of the audit may recommend corrective actions be implemented or a change in the exporter's performance rating if it is found that increased mortalities are due to issues in the sourcing, preparation, transport and/or loading of livestock.

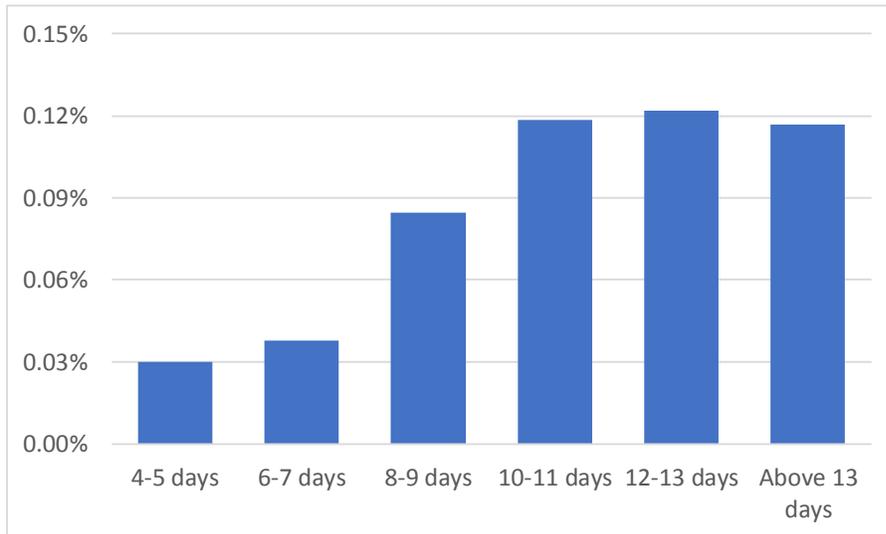
Use of per voyage mortality percentages may need re-consideration

Mortalities in intensive cattle operations are closely related to duration: the longer cattle are housed in intensive operations (including in registered premises and onboard live export ships) generally the greater the number of animals that will die¹⁰. The department's benchmark measure, however, excludes consideration of duration. This means that it may not be the highest performing exporters that are recognised by the benchmark, but those with voyages of the shortest duration.

¹⁰ The same holds true for extensive operations: total deaths are intrinsically related to total time spent within the operation.

The TAC were clearly of the view that the alternative pen arrangements were suitable for high performing exporters and voyages less than 10 days. By setting the mortality benchmark extremely low and ignoring the impact of total duration, the department's benchmark will only make the alternative pen arrangements available for voyages considerably shorter than 10 days. For voyages to South East Asia in 2018 mortality rates by voyage duration are shown in Figure 1.

Figure 1: Mortality rates to South East Asia in 2018 by voyage duration



It can be seen from Figure 1 that mortality rates climb after day 7. It would be very difficult for exporters with voyages greater than 7 days to access the alternative pen arrangements – they would need to lower their mortality rates by over 40% compared to the average:

- The difficulty referred to is made greater by the fact that, based on available data, the industry is already achieving **exceptional** results in terms of mortalities – substantially better than comparable domestic situations. The average mortality percentage for all South East Asia voyages in 2018 was 0.87% and was substantially less than this for voyages to Indonesia. Based on other data referred to in this submission, these results are significantly better than those achieved in comparable domestic situations - if the Department has data to the contrary this needs to be made available.

Conclusion

Based on data presented in this submission:

- The benchmark proposed by the department is well below that achieved in other modes of transport, even though these other modal journeys are of shorter duration.
- The benchmark being set is well below performance achieved across intensive cattle industries in Australia.
- The benchmark being set by the department is equivalent to less than 10 cattle dying in the 20,000 head (the “sample size” being suggested by the department).

- We believe the achievement of this benchmark will be more dictated by chance or the nature of the business being conducted than true performance. Because of this, it is unlikely to act as an incentive.

On our analysis the benchmark proposed by the department, it is unlikely to be either valid or practical – with chance highly influencing attainment of the benchmark.

Based on analysis presented in this submission we make the following suggestions:

- For voyages to South East Asia, but particularly to Indonesia, results being achieved by the industry in terms of mortalities are already exceptional. Rather than attempting to make them even more exceptional, which would require huge sample sizes by each exporter to be statistically valid (we suggest at least 100,000 head), it would make greater sense, particularly for voyages to Indonesia, to allow the alternative pen spaces to apply by default and then penalise those exporters exhibiting poor performance through imposing use of $k=0.030$.
 - We believe that this abides by the spirit of the TAC's recommendations.
 - As noted, we believe that poor performance should not be simply triggered by one notifiable mortality incident, but one incident where substantial fault has been attributed to the exporter or, perhaps more appropriately, poor performance over time (compared to the industry average).
- For other South East Asian destinations if an indicator of good performance is to be set that takes no account of voyage duration, then an appropriate level may be in the range 0.10% to 0.15%.
 - From data presented in this submission these rates are substantially above those being achieved in comparable domestic situations.
 - They also provide an incentive to improve since these rates are not currently typically being achieved in markets such as Vietnam.
- It is also suggested that good performance may be better reflected through an indicator that takes into account voyage duration.
- Over the longer term it may be more appropriate to set indicators of performance based on broader measures of animal welfare than just mortalities.

Maintenance of input-based criteria in a measure that should be based on outputs

In submissions to the ASEL and HSRA inquiries, the live export sector has consistently stated that the focus of the regulator in terms of livestock export voyages should be on welfare outcomes achieved, rather than the means used to achieve these outcomes. This advocacy of an outcomes-based approach is not new. A generally accepted characteristic of good regulation is that:

“Regulators, instead of focussing on prescribing the processes or actions that firms must take, should step back and define the outcomes that they require ... to [be] achieved. Firms and their management will then be free to find the most efficient way of achieving the outcome required”¹¹.

¹¹ Black, J., 2007, *Principles Based Regulation: Risks, Challenges and Opportunities*, London School of Economics and Political Science.

An outcomes-based approach to ASEL has been advocated for almost 15 years by independent researchers¹² and was promised by the Government in the recently completed ASEL review. However, such an approach has yet to be delivered in the live export standards. It is evident that the department has so far failed to deliver on the commitment made for ASEL to be modernised into outcomes-based regulatory framework.

The sole area where an outcomes-based approach was recommended by the TAC in the current ASEL review was in space allocations for voyages less than 10 days, but even here the outcomes-based approach is being progressively dismantled or added to with prescriptive inputs.

In the Department's draft proposal on alternative pen space the outcomes-based approach that the TAC recommended has been polluted by the addition of a number of input measures. Two significant input measures included in the Department's proposal are:

- Preclusion of consignments departing from ports south of latitude 26°S.
- For cattle being loaded at the alternative pen space area, those cattle must be held in the registered premises for at least 3 clear days prior to export.

The obvious question is why have these input measures been imposed? If an exporter is able to demonstrate very low mortality rates from a port south of latitude 26°S or without ensuring that all cattle have been kept within registered premises for at least 3-days, why should the department be concerned about imposing these conditions? Shouldn't results count more than method?

If the response of the department is that mortalities are only a partial measure of welfare, we note that in ASEL 2.3, and presumably in the next version (for no recommendation has been made to change it), a notifiable incident refers to any incident *"that has the potential to cause serious harm to the health and welfare of animals"*. Moreover, the regulations stipulate that *"if a notifiable incident occurs at any time, the relevant Australian Government agency must be advised as soon as possible and within 12 hours"*. It is open to the department to investigate notifiable incidents to determine whether welfare has been compromised and, if so, if the exporter has been at fault.

The department in imposing conditions related to two input measures, out of many measures that could have been chosen, has obviously determined that these two input measures are the most important. What scientific evidence does the department have to support this preposition? Exporters employ a myriad of inputs to ensure successful shipments – selection of breed, vessel, property of origin, feed, etc, etc; yet the Department has chosen to highlight two input measures above all others. For what reason?

Equally, it can be asked that if these two measures are so important, why have they not been imposed generally? For example, why has not three clear days been imposed on all exports if it is so important? The department is only imposing this measure on the highest performing of exporters (as defined by the output measure being used). If it is so important, is it not even more important to impose it on poorly performing exporters?

¹² See, for example, Whan, I., More, S., Byant, A. and Bladeni, S, 2003, *Review of the Australian Livestock Export Standards*, Final Report for Project LIVE.117, Meat & Livestock Australia, November.

Limiting departures from ports north of latitude 26°S

Limiting departures from ports north of latitude 26°S is a significant restriction and one not mentioned by the TAC. The purpose of this restriction is likely to exclude cattle from southern ports such as Adelaide, Portland and Geelong due to climate and cattle type. If this is the case, ALEC question why the department continues to proceed with an arbitrary geographic restriction that excludes the ports of Fremantle, Geraldton, Alma and Gladstone. Livestock transported from these ports are just as well prepared and will travel as well.

Perverse animal welfare outcomes are likely to result as producers opt to truck cattle further north, potentially for more than an additional 12 hours, to supply shipments accessing the alternative pen stocking density and associated better cattle prices.

Three clear days

Certainly, there is abundant evidence even in the recent ASEL Review that the importance of three clear days in registered premises is quite uncertain. The TAC at two points in their final report highlighted the lack of research done in this area:

There appears to have been relatively little research done on the welfare benefits of providing cattle with more time in the registered premises.

Submissions on the issues paper proposed a range of changes to the holding periods for cattle in registered premises. The committee's considerations were unfortunately not assisted by recent or relevant research directed at this component of the cattle export process.

Presumably, if adequate research has not been undertaken it is almost impossible to determine the absolute and relative importance of adjusting this measure. If the department does have research that allows the absolute and relative important of time spent in registered premises to be determined (in relation to the importance of other input mechanisms) then we request it be highlighted. Opinion in the absence of a solid fact base, expressed either by the TAC or certain exporters, should not be allowed to masquerade as scientific evidence.

We note that days in registered premises was extended in the general ASEL review – we recommend that it not be extended further particularly for the best performing exporters.

We further suggest that access to the alternative space arrangements be determined by an output-based performance measure alone - without the department guessing what might be the important input measures an exporter chooses to adopt to achieve that outcome. Exporters will have a substantially greater understanding of the important input measures to achieve the required output than regulatory staff members and ultimately it is in their commercial interests to have high performance in this situation.

Again I reiterate that in adopting new standards, these should be minimum standards and not penalise high performing export through time extensions that may not be scientifically validated.

6. Recommendation 38: extended voyage management plans

The department proposes that an exporter must not export livestock via the Suez Canal, the Cape of Good Hope, the Panama Canal, Cape Horn, or via another route where the voyage is expected to be longer than 30 days, without prior written approval by the department. ALEC contends that the regulatory definition of an extended voyage should be confined to a voyage that is expected to be longer than 30 days. If voyages via Suez Canal, the Cape of Good Hope, the Panama Canal, Cape Horn exceed 30 days then they too will be defined and regulated as extended voyages. Defining extended voyages as those that exceed 30 days negates the need to reference specific geographical locations.

7. Recommendation 48 & 49: AAV's and stockpersons

As detailed in the proposal for implementation of recommendation 22, the department intends to adopt the OIE definition for voyage length, that being first hoof on to last hoof off. This would result in a drastic increase in the demand for AAV's and stockpersons on board vessels, as they would be required on nearly all voyages to all destinations. There is already a limited number of AAV's available and an increase in need would exacerbate this issue. ALEC would endorse a risk-based approach similar in principal to that adopted for Independent Observers. Also similar to IO's, vessel size also needs to be a consideration in implementing this recommendation.

8. Recommendation to have management for goats by sea

The proposed guideline is supported.

9. Updates to other management plan guidelines

The proposed guidelines are supported.

ALEC and its members expect that the above feedback will assist the department in the effective implementation of the ASEL Review recommendations. Please do not hesitate to contact ALEC's Deputy CEO, Mr Alastair James on 0428 776 626 or deputyceo@livexcouncil.com.au if you have any questions.

Regards,



Mark Harvey-Sutton
Chief Executive Officer
Australian Livestock Exporters' Council

Attachment 1

The importance of the livestock export industry to Australian agriculture and the economy

According to market intelligence company Mercado, over \$620 million of revenue from live cattle exports is returned to the farm gate, representing around 50 per cent of total revenue. Live Cattle exports are valued at \$1.2 billion, representing 13 per cent of the total cattle industry value. The live cattle industry also sustains approximately 10,000 full time jobs.

Of more relevance to the discussion paper is a similar report prepared by Mercado, which recently found that the average value of Australia's Live Sheep exports from 2014-18 is \$220 million per annum. Almost half of the revenue earned from the live sheep export trade is retained on-farm and is estimated to have averaged \$100 million per annum over the last five years. Western Australia is the largest exporter accounting for 82 per cent of all sheep exports, representing nearly 30 per cent of annual sheep and lamb turn off.

This indicates that the live export sector plays an integral role in underpinning price, which assists in growing the overall value of the sector. Many chilled and frozen markets have been established off the back of the live export industry's initial presence, providing a pathway for chilled and frozen exports.

There are also significant other benefits of the trade beyond economic:

- Some countries do not produce enough livestock to feed their population and as a result they rely heavily on Australian livestock for their food security and in some cases, social harmony.
- Processing animals locally, for some nations, is often cheaper than buying boxed or chilled meat slaughtered in Australia, which is a high input cost industry compared to its global competitors.
- Religious requirements, particularly around festival times, dictate the slaughter of animals (under Australian controlled conditions where Australian animals are involved).
- International processors prefer to use not just the meat, but the entire animal for different products.
- The export of livestock supports a wide range of consumers and different market segments that live animals processed locally are most suited to (for example, wet markets).
- Exporting livestock strengthens breeding and herd numbers with quality genetics and aids many developing countries in achieving self-sustainability goals.
- Australia's live exports support the development of a local processing sector in developing countries.
- Live export supports public policy programs to increase meat and dairy consumption and the endeavours of importing countries to provide food security.

Over 100 countries export live animals with Australia having the highest standards in the world. Indeed, through the Livestock Global Assurance Program (LGAP) which is an initiative of the Australian industry, a global standard will be set for live animal exports.

Australia's increased efforts to help improve animal welfare is recognised as contributing to wider social and ethical change, better treatment of local livestock, improved worker safety and better meat quality. This positions the sector as a key driver of animal welfare improvements globally.