

2 December 2019

Dr Melissa McEwen
Department of Agriculture
Canberra ACT 2601 Australia
By email: livestockexp@agriculture.gov.au

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.

Air transport occupies a small, but important, place in the shipment of Australian livestock to export markets and ALEC welcomes the opportunity to comment on the Department of Agriculture's (the department) *Implementation of ASEL Air Review Recommendations consultation paper* (the consultation paper). This submission was developed in consultation with the Australian Livestock Export Corporation Limited (LiveCorp) and the LiveAir consultative committee.

Overarchingly, the implementation of the Review of the Australian Standards for the Export of Livestock by air – Final Report recommendations contained in the consultation paper are supported. However, it is important to note that many of the requirements within the associated guidelines are open to interpretation, particularly by department officers, leading to the inconsistent application and enforcement of the regulations.

ALEC is aware of two options available to help remedy this issue, with one being adding further prescription to an already prescriptive regulatory regime. This would not be considered best practice regulation and should be avoided where possible. 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"¹.

¹ 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 researchers² 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.

The second option would be to ensure department officers are appropriately trained and experienced to ensure competence, minimising the risk of varied interpretation and improving consistency in the application and enforcement of regulations. The importance of regulatory consistency cannot be understated. The use of benchmarking performance against an agreed service charter and effective induction of new personnel will assist in achieving this outcome and are therefore strongly recommended.

General comments

Setting the expectations of both the regulator and the exporter is an integral part of avoiding confusion and angst. Writing expectation into the industry guideline should be avoided unless the department has a figure in mind, and where the department does have a figure in mind, this should be clearly communicated.

Exporters need certainty to operate effectively. Consideration needs to be given to the effort and time associated with appraising one-off approvals on a consignment by consignment basis. An approved arrangement management approval can take up to 40 days on service charter, however, the consultation paper infers that on a consignment by consignment basis, this process will be complete within the ten days from submission to NOI departure date. Confirmation of the regulatory timeframes for consignment by consignment basis approvals is required.

Additional space requirements

Most of the guidelines provided as appendices to the consultation paper request details on any additional space given in the aircraft crates to manage the risks of a particular class of livestock being exported. The guidelines, however, are without an indication as to the regulators expectation on what would constitute sufficient additional space. ALEC therefore recommends the development and adoption of a standard for additional space requirements for specific classes of livestock exported in aircraft crates.

This standard would then be incorporated into relevant Approved Arrangements, ensuring consistency and predictability in the application of the guideline and thereby providing exporters with a level of certainty.

Livestock exported in the last third of pregnancy

What is considered the gestation period for different classes of livestock can vary by a few days. In cattle for instance, gestation length can differ between breeds, so there is no one gestation length in

² 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.

days that could be considered recognised or accepted by all. The 'last third of pregnancy' can therefore be inconsistent, making it an inappropriate regulatory measure. A reference to the specific number of days the regulator considers to be the last third of pregnancy, contained at Table B1 in the Australian Standards for the Export of Livestock: Air Transport—Final report, needs to be clearly made to enable a consistent regulatory approach.

Appendix F of the consultation paper requires submission of pregnancy testing information, including the 'maximum gestation at scheduled date of departure of the aircraft' (2.d) iii). It must be clearly communicated that this will not be included in a proposed ongoing management plan and that it will only be filled in once the shipment becomes live and kept on file, not submitted.

Long horned livestock

There are a number of concerns with the proposed guideline for long horned livestock (Appendix G of the consultation paper), as described below:

- Not all long horned livestock need to have their horns tipped – bucks being a case in point. Revision to 2.b) of the guideline is therefore required.
- Whilst reference is made to the International Air Transport Association's (IATA) crate size requirements, at 3.c), the guideline continues with a range of subjective crate size requirements, at 3.c) i), ii) & iii) which are inconsistent with IATA and fail to align with World Organisation for Animal Health (OIE) requirements. ALEC strongly recommends replacing 3.c) i), ii) & iii) with a reference to IATA to remove subjectivity and ensure international consistency.

Heavy cattle & buffalo

Heavy cattle and buffalo above 650kg 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 K 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 will deliver significant animal welfare improvements and reduce potential work health and safety risks.

Appendix K of the consultation paper currently specifies 50kg as being a 'similar weight' in terms of heavy cattle and buffalo being crated together. While a 50kg difference may be reasonable for lighter cattle, it becomes increasingly insignificant the heavier the livestock are. ALEC recommends a measure of 10 per cent be used in place of the 50kg to improve the effectiveness and practicality of the regulatory measure. Confirmation is also required that normal weight calculation applies, including n.5 rounding down, in that the average weight by crate is taken into account.

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.

With regards,



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

Attach.

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.