15 May 2019

Dr Melissa McEwen
18 Marcus Clarke Street
Canberra ACT 2601 Australia
By email: livestockexp@agriculture.gov.au

Dear Dr McEwen,

Re: Alternate pen space allocation submission – Australian Livestock Exporters' Council

The Australian Livestock Exporters' Council (ALEC) is a member-based, peak industry body representing Australia's livestock export sector. It sets industry policy, provides strategic direction to the industry 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.

Australian producers are significantly affected by the implementation of stocking density related 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 and Water Resources' (the department) *Guidelines for alternate pen space allocation applications and approvals for cattle on sea voyages less than 10 days (Proposed from 1 June 2019)* (the Guidelines).

Unfortunately, the timeframe given for consultation is extremely short given the significance of the policy. The Guidelines were released to industry on the afternoon of Thursday 9 May 2019, with industry feedback requested within four business days – being due on 15 May 2019. This has limited industry's ability to consider the proposal adequately, consult with members and provide appropriately considered feedback.

In this regard, we note the *Australian Government Guide to Regulation*, which states,

> *Transparency can encourage genuine dialogue and build trust in the policy process, but in order for your consultation to be credible and effective, you need to engage with stakeholders in a way that is relevant and convenient for them. You also need to give stakeholders time to consider the information you give them and time to respond*

Given the significance of the changes, providing four business days for industry members to provide feedback on the Guidelines is unreasonable.

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Stocking density

As stated in previous submissions, the implementation of ASEL recommendations imposing a stocking density increase to a k-value of 0.03 is extreme and will impose enormous costs on the industry. Even the k-value of 0.027 in the Guidelines 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.

ASEL recommendation 22 allows the department to approve a space allowance based on a k-value of 0.027 for cattle voyages of less than 10 days by sea. This will be based on past and continuing high performance of the exporter and export vessel on similar voyages. Access to the alternate pen space allowance will be of great benefit to producers in the remote areas of northern Australia (north Western Australia, the Northern Territory and north Queensland).

ALEC recognises that mortality is not the only measure of animal welfare, but it is a measure and has been consistently collected over many years (and stored in an accessible form). Mortalities, particularly for cattle shipments, are low. The majority of cattle voyages since 2010 (more than two-thirds) have recorded mortalities of less than 0.1%. For short haul voyages almost 85% have recorded mortalities less than 0.1%. Again, there is no evidence here that stocking densities under the previous ASEL were deleteriously affecting welfare.

Voyages to near Asian neighbours typically experience very low mortalities. For example, of the almost 2,000 cattle voyages to Indonesia since mid-2004 only eight have recorded mortality levels of more than half of one percent. Almost 50% have recorded no mortalities at all. Similarly, across South East Asia generally since mid-2004 with over 2,500 voyages only 41 have recorded mortalities greater than 0.5%. Of the more than 8 million cattle shipped to Southeast Asia since mid-2004 less than 0.1% have died.

It is also important to note that cattle are typically sold on the basis of weight at the discharge port. Exporters have a commercial interest in ensuring good animal welfare outcomes, including minimising mortalities and achieving weight gains.

Voyage length clarification

ALEC questions the justification of the 'less than 10 days' voyage length requirement – effectively 9 days or less, and the implications of applying it as a strict regulatory limit. This strict application excludes exports to key South-East Asian markets from Australian ports that have good historical animal welfare outcomes. Treating these export routes the same as other longer-haul voyages highlights that voyage days, in isolation, may not be the most equitable or effective regulatory measure. The department may be better to consider regulating the use of alternate stocking densities based on exports to import

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destinations that are typically short-haul (or very near short-haul) – such as Indonesia, Malaysia and Vietnam.

ALEC notes that the definition of voyage length for the purpose of this policy is defined as:

> *The time from departure of the vessel from the port where that animal was loaded to arrival and commencement of discharge at the port of destination where that animal would be unloaded.*

Though this is subject to change at a later date through the intended implementation of ASEL Version 3. We note that the draft definition of voyage in ASEL version 3 is:

> **Voyage**
>
> *A voyage covers the period from the time the first animal is loaded onto the vessel, until the time the last animal is unloaded at the final port of disembarkation.*

This definitional change will significantly impact on how voyage length is defined for all shipments, but with particular relevance to stocking densities on short haul voyages. Loading and unloading are likely to require 1 or 2 days for each, meaning true sailing length for a voyage would be confined to closer to 6-7 days and that unexpected delays in loading or unloading could push the voyage length beyond the 10-day limit. Importantly, this is a concern because the regulation should not provide an incentive to hurry / rush loading and unloading. Welfare is best maintained by a steadier approach.

Therefore, a change to the ASEL version 3 definition would render the Guidelines irrelevant without sequential change to the voyage length. Further consultation with industry is required in this regard in association with empirical justification for any change.

Limited to departures from ports north of latitude 26°S

This is a significant restriction, which was not mentioned by the Technical Advisory Committee on ASEL and for which the impact may not have been clear to the department. 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. However, the Guidelines already exclude these ports due to voyage length and the markets they are serving. ALEC's main concern is that the Guidelines exclude the ports of Fremantle, Geraldton, Alma and Gladstone. Livestock transported from these ports are just as well prepared and will travel as well.

The ports of Geraldton and Fremantle, for example, are both south of latitude 26°S. Since 2013, there have been 30 shipments of around 90,000 head exported from Fremantle, and 18 shipments of around 45,000 head from Geraldton to the same markets that could be achieved in less than 10 days from slightly more northern ports.

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Perverse animal welfare outcomes may result as producers could opt to truck cattle further north, potentially in excess of an additional 12 hours, to access shipments with the k=0.027 stocking density and associated better cattle prices.

Vessel and exporter approval

ALEC recognises that alternate pen space allowance needs to be granted on both a vessel and exporter basis. However, the two need to be separate and independent of each other. An exporter that has achieved approval to use the alternate pen space allowance should be able to enact this approval on any vessels that have separately also achieved approval to use the alternate pen space allowance. Further, to reduce the administrative burden ALEC recommends that once approval has been granted for a particular vessel used by a particular exporter, it remains in place for the vessel / exporter until otherwise advised by the department in writing.

Consideration towards recognising the class of vessel, as opposed to limiting recognition to a particular vessel is recommended. Good welfare outcomes on a particular vessel can be extrapolated to other vessels of the same class (i.e. a sister ship) and as such, the same conditions should apply in relation to stocking densities.

Clear days

ALEC questions the justification for requiring 3 clear days in the registered premise. It appears that an arbitrary number is being applied without justification. While this additional requirement would erode any savings made by using the alternate stocking densities, it could also increase animal welfare risks. Evidence suggests that for short-haul voyages of cattle, better animal welfare outcomes are achieved the sooner the cattle are loaded onto the vessel.

There were no ASEL Technical Advisory Committee (TAC) recommendations associated with an increase in the number of clear days required in a registered premise in relation to the alternate stocking densities, only the requirement of daily reporting. The TAC recommended that the time in the registered premise for cattle be set at two days for all shipments in the next ASEL, except extended long haul where it recommended three days. It would seem unreasonable to require longer in the registered premise for short haul shipments where the TAC specifically provided provision for the alternate stocking density on the basis of performance and lower risk. At very least, the number of clear days should be two, to align with TAC recommendations.

Multiple ports

The alternate stocking density of k=0.027 should apply to the whole consignment for voyages that are discharging at multiple ports overseas, where one discharge port is less than a 10 day voyage and the balance are 10 days or greater. The Guidelines should recognise that in such scenarios, the balance of cattle continuing to the following ports can be spread to empty pens to decrease stocking density. Additional requirements could be applied by the department to require Australian Government

Accredited Stockman to ensure that once cattle are discharged at the first port, that the remaining cattle are spread to empty pens to decrease stocking density.

The Guidelines do not address vessels containing multiple consignments with multiple exporters. Confirmation that associated stocking densities will be determined on the individual performance of each exporter on the vessel is required.

Recognition of performance

The Guidelines as drafted do not currently recognise long-haul experience or expertise of exporters. The experience of exporters exporting cattle to long-haul destinations without reportable mortality incident, irrespective of whether the export port is north or south of latitude 26°S*,* should be considered at least equivalent of short-haul results.

Overly complex and confusing example criteria

Points 2a and 2b are duplicative with similar intent. To achieve no reportable mortality incidents in the previous 12 months on voyage less than 10 days (Point 2b), an exporter must have undertaken 10 voyages of less than 10 days in last 2 years without reportable mortality (Point 2a).

Point 2c currently states that the average mortality percentage is set at 10% of the reportable limit (0.05%) – this is an arbitrary benchmark that is set far too low. It is without scientific or evidentiary justification and sets a completely unrealistic or acceptable expectation. ALEC recommends amending to align with the reportable level of 0.5.

12 months to regain approval to use alternate allowance (Point 3) is too long, especially if a reportable mortality was caused by issues beyond the exporters' control. Six months would be more realistic and is as such recommended.

ALEC and its members expect that the above feedback, provided within the extremely short timeframe provided, will assist the department in the effective application of the Guidelines by 1 June 2019.

Regards,

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