



18<sup>th</sup> September 2018

The Chair  
The Technical Advisory Committee  
Review of the Australian Standards for the Export of Livestock  
Department of Agriculture and Water Resources  
GPO Box 858  
Canberra ACT 2601

## **Review of the Australian Standards for the Export of Livestock (ASEL) – Stage 2**

The PGA is a non-profit industry organisation established in 1907, which represents primary producers in both the pastoral and agricultural regions of Western Australia.

As a state farming organization, the PGA supports its membership in the operation of profitable farm businesses.

The PGA supports the export of livestock to other sovereign nations for feeder or breeder purposes.

The PGA provides this support because;

- Western Australia is the major supplier of sheep for the live export trade. The Western Australian sheep industry dominates the live export trade out of Australia, averaging nearly 85% of the total annual flows out of the country each season over the last five years. Based on current trade volumes, Western Australia send approximately 1.6 million head of live sheep offshore annually.
- Live export provides buying competition in the marketplace for Western Australian sheep. Historically for West Australian woolgrowers, livestock sales have been equally important as wool revenue – across specialist and mixed farms. Therefore, having access to a number of markets will continue to provide significant option value given variation in seasonal conditions and markets.
- Almost all Western Australian sheep have to travel to the Middle East or through the Middle East. In 2017, Kuwait accounted for 34% (\$71.7 million) of the value of live sheep exported from Western Australia; Qatar remained the second largest market share with 33%; exports to Turkey were worth \$16.3 million. The fourth largest market was Oman accounting for 8% of live sheep exports.
- The PGA does not agree to any pause in the live export trade to the Middle East corresponding to the northern hemisphere summer because it vacates the

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market, forcing importers to source sheep from other countries. Loss of market share could result in complete loss of the market.

For example, Saudi Arabia was one of WA's largest markets (although quite volatile) for live sheep exports, importing over a million sheep in some years.

With the introduction of the Exporter Supply Chain Assurance System (ESCAS) in 2012, Saudi Arabia ceased importing live sheep from Australia as they believed it impacted their sovereignty due to Australian oversight in Saudi abattoirs.

The PGA is not expert in the application of ASEL; however as the representative body for livestock producers who supply the majority of sheep to the live export trade we are very concerned as to the implications of changes to stocking density.

- Stocking densities influence the costs of exporting. If they are too high, exporters may have to pass this cost onto the importing market, and importers may react by substituting sheep from other countries.
- The industry record over the previous 8 years is 99.3% of sheep delivered alive at ASEL (or ASEL derived) stocking densities, including high mortality episodes.

Consequently, the PGA supports a stocking density that satisfies paragraph 7b. of Article 7.2.5 of the OIE Terrestrial Animal Health Code - Transport Of Animals By Sea which reads "The amount of space required, including headroom, depends on the species of animal and should allow the necessary thermoregulation. Each animal should be able to assume its natural position for transport (including during loading and unloading) without coming into contact with the roof or upper deck of the vessel. When animals lie down, there should be enough space for every animal to adopt a normal lying posture".

The current McCarthy Review recommends, as an interim measure, adopting an 'allometric' approach by the industry for the northern hemisphere summer with a k-value of 0.033.

Section 6.1.3 of the McCarthy Review lists as a resource, Petherick, J.C. and Phillips, C.J.C. (2009) *Space allowances for confined livestock and their determination from allometric principles*. Applied Animal Behaviour Science, 117 (1-2). pp. 1-12.

Part of the actual text reads "Where it is desirable for all animals to *lie simultaneously*, then a minimum space allowance per animal described by the allometric equation:  $area (m^2) = 0.027W^{0.66}$  appears to permit this, given that animals in a group time-share space. However, there are insufficient data to determine whether this allowance on-board a vehicle/vessel would enable animals to move and access food and water with ease."

This does not mean a k-value of 0.027 is inadequate to allow animals to move and access food and water, rather, the research has not proven this to be the case.

A k-value of 0.027 provides increased space allocation when compared to space allocations regulated or recommended by other first world jurisdictions.

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For example, a k-value of 0.027 provides (for a 50kg sheep), a minimum pen area space of 0.357m<sup>2</sup> compared to 0.315m<sup>2</sup> in the EU, and 0.260m<sup>2</sup> in the US.

In conclusion, the PGA notes that in its introduction, the McCarthy Review says it “has been conducted as an independent, short, sharp review.....within the short time frame provided. As a result, there may be aspects that have not been addressed and/or the need to refine what has been stated due to the nature of the review being so time-bound”.

The McCarthy Review 0.033 k-value stocking density recommendation, whilst understandable under the circumstances, was only ever meant as a stop gap until reviewed by the ASEL Review Technical Advisory Committee and/or an independent taskforce at the end of the forthcoming northern hemisphere summer.

Some members of the live export trade have made it plain in the media that they cannot operate economically under the McCarthy Review regime.

According to unpublished Australian Livestock Exporters Council research papers, a change to ASEL based stocking densities for a 50kg sheep will result in a reduction in stocking density of 14 % at a k-value of 0.027, and at a k-value of 0.033 (as per the McCarthy Review) the reduction will double to 30%.

These unpublished research reports cost these changes and reductions in stocking densities (cattle and sheep combined – various loading and destination ports) at;

- a k-value of 0.027 the additional costs imposed on the industry would be \$17.3 million per annum.
- a k-value of 0.033 the additional costs imposed on the industry would be \$98.4 million per annum.

The PGA is believes that regulatory arrangements have to effectively manage the welfare of Australian live exports without imposing costs that lead to a substitution to exports from other countries, or there will be no live export trade.

Yours Faithfully



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