

27 November 2018



Mr. Steve McCutcheon
Technical Advisory Committee (TAC) for the Review of the Australian Standards for the
Export of Livestock (ASEL)
Department of Agriculture and Water Resources
GPO Box 858
CANBERRA ACT 2601

Dear Mr. McCutcheon

Response to Draft Recommendations of the TAC regarding ASEL

Thank you for the opportunity to provide a response to the Draft Recommendations provided by the TAC, regarding the ASEL regulations. Sheep Producers Australia (SPA) is the peak industry organisation for sheep and lamb producers. It works to enhance the industry's productivity, profitability and sustainability.

SPA appreciates that attention has been focused on the actual shipping of livestock, due to the media reports earlier this year. There are also recommendations of the TAC, that specifically relate to the preparation of animals for the voyage. SPA is concerned about the welfare of the animals through the entire supply chain, including the processes within the importing country to ensure standards are maintained through to the point of slaughter.

The Federal Government does have visibility of the entire supply chain through the Export Supply Chain Assurance System (ESCAS). SPA encourages the regulatory authorities to maintain a focus on the entire supply chain to reduce the risk of animal welfare incidents occurring in the future. Any incident in the supply chain will undermine advancements made through this review. SPA is participating in (the recently formed) Livestock Global Assurance Program (LGAP), with the same goal.

Livecorp is continuing to produce research that will greatly assist in improving the parameters around which better outcomes for live exports, can be measured and benchmarked. SPA will support all work that better defines the best outcome from a live export shipment, in terms of animal welfare, and working through the entire supply chain to ensure this can be achieved.

In appraising the report, SPA endorses the common-sense approach that allows the re-visiting of issues where research is currently being conducted, allowing recommendations to be updated when results are known. This is particularly in relation to:

- Application of some aspects of stocking densities
- Testing criteria for the (Heat Stress Risk Assessment) HSRA
- Bedding requirements for sea exports
- Fodder

SPA has some concerns around sections of the recommendations where a prescriptive approach is taken to provide a pathway to achieve a desired outcome. SPA would encourage regulation to specify what the acceptable outcomes are in the live export supply chain, and allow industry to adapt and provide the best methods for achieving those outcomes. Providing prescriptive statements in regulation can hamper the development of innovative and efficient ideas being investigated that can benefit both animal welfare outcomes, and the efficient operation of the supply chain.

As with our original submission, many areas relating directly to the technical merits of the recommendations will be left for Livecorp and ALEC to provide the appropriate response. SPA will, however, make the following comments:

1. Stocking Density (Recommendation 20)

SPA is concerned at how the 'k' value to be placed in the allometric equation has been arrived at. The 0.027 value as recommended by industry, has scientific rigour around its determination and is consistent with the minimum guidelines of the OIE. The use of this value allows for both an improved and acceptable animal welfare outcome, and places significant cost on the industry for compliance.

The implementation of a 'k' value of 0.03 imposes a punitive cost on industry without any scientific justification of any improvement in the animal welfare outcome. Further, the differentiation of a higher 'k' value of 0.033 during the northern summer for sheep does not appear to be substantiated. Our understanding is that the 'k' value should be consistent regardless of the time of year, with the HSRA determining any further additional space allowances needed for the purposes of mitigating heat stress in the summer period.

2. SPA supports the review of the HSRA.

The HSRA review is underway and SPA notes that the HSRA needs to be based upon objective measures that are reliable and robust. The current model uses mortality to predict and manage heat stress welfare and it provides a strong basis for the regulatory approach. Moving to an alternative basis for the model – such as more welfare measures – would require the building of substantial data bases for a range of those indicators to enable the necessary objective assessment. Any potential measure would need to be tested to ensure that they are in fact able to be used to improve (and set the suitable shipment parameters) acceptable animal welfare outcomes.

In this regard, the HSRA is only one means of improving welfare in relation to heat stress. We believe the continuous improvement / benchmarking system being developed through LiveCorp's animal welfare indicators project provides a critical, parallel framework for achieving improvements.

SPA considers the definition of the northern summer and the months it encompasses as problematic. SPA agrees that the hottest three months of each year, during the northern summer (June to August), require a different set of parameters to allow shipment during this period. The other months require decisions to be made on the best forecasting available at the time, with cooler and warmer events managed appropriately (by both the exporter and the regulator).

Imposing unworkable parameters around stocking densities during forecasted cooler periods, will impose an unnecessary impost upon the industry, when animal welfare is at low risk of being compromised. SPA does not wish to see animals distressed, but sees a low level of risk in allowing shipments to take place under the usual parameters, when reliable forecasts indicate cooler conditions for the voyage.

3. Clear Days (Recommendation 10)

SPA has always been concerned with ensuring that sheep that are live exported, have an efficient and effective process for being inducted into the feeding methods they will encounter on the vessel. SPA can therefore appreciate the reasoning for 'clear days' being required at a Registered Premises, prior to loading for export.

This recommendation (10) may be a case, however, where the prescriptive solution of '5 Clear Days' may not be workable, given the protocol of some importing countries, in that the animals have to be checked for certain (disease) conditions at specific times prior to export. This area should be reviewed to make sure the solution is workable, before being placed in a 'standard'. SPA would encourage the use of an outcome regarding sheep feeding correctly at the registered premises, rather than attempting to prescribe the management process.

4. On Board Resources and Management

SPA is acutely aware of the well-publicised issues that have brought the Live Export industry to this point. SPA particularly notes Recommendation 29, and appreciates the common-sense approach around bedding material, and the relationship with stocking rates and ammonia levels.

LiveCorp has approved a project that will directly inform the understanding of the causal relationships / frameworks in these areas and in turn, enable the identification of improvements to support the best animal welfare outcomes. SPA notes in this regard, that the Government is committed to more frequent reviews and updates of the standards, and appreciates that the recommendations can allow for the evaluation and improvement of the standards implementation of the standards over the next 12 months.

SPA is aware that role of the Independent Observer, and the AAV, are outside the scope of this section of live export reviews. We do however always wish to re-iterate the vital role that the Federally appointed vet has in the meat processing sector, with the power to close plants that are in breach of the standards require to operate hygienically and in line with the regulated standards. SPA are supportive of the vets role being elevated to the same status in the live export sector, which would encompass the role of an independent Observer.

5. Economic Analysis

A baseline scenario was developed (in conjunction with the recommendations), that showed the economic impacts in moving from the current ASEL framework, to implementing the recommendations. A range of variable costs on a voyage will decrease (due to the carriage of fewer animals), however the reduced economies against the fixed costs transport will always create a problem for the viability of the trade.

SPA appreciates the modelling shows significant losses for sheep producers, however fears the magnitude may be under estimated. In a competitive market it is doubtful that any increase in costs will be absorbed by higher prices in the Middle East (as suggested in the document). The Live Export sector in the Western Australian (WA) market for sheep, has previously been able to pay a significant premium compared to processing options available to producers. This premium will be lost, and with the processing sector unable to cope with increasing numbers, the market can be pushed far lower than can be reasonably estimated.

Producers will have the option of trucking more sheep interstate. This process in itself is expensive, and effectively places a discounted value for sheep situated in WA. SPA expects this to result in a smaller sheep industry based in WA, as producers opt for industries with a higher Gross Margin.

Your sincerely



Graham Smith
Chief Executive Officer
Sheep Producers Australia

Background

Sheep Producers Australia (SPA) represents sheep and lamb producers in Australia and provides a mechanism to bring a diverse range of issues and needs to the policy making process. SPA draws on many formal and informal processes to achieve this. Principal amongst these is input from the state farming organisations, which have extensive networks within their jurisdictions.

As the recognised peak body for the sheepmeat industry under the *Australian Meat and Livestock Industry Act 1997* (the Act), SPA sets the strategic objectives to be pursued by the levy funded organisations Meat and Livestock Australia (MLA), Animal Health Australia (AHA), and the National Residue Survey (NRS), examining and approving their programs and budgets. We are involved in priority setting for industry research and development and marketing activities both domestically and internationally as set out in the Red Meat Memorandum of Understanding (MoU). Under the MoU, SPA assesses the performance of services delivered by expenditure of lamb and sheep levies.

The objects of SPA are;

- to represent and promote the interests of Australian sheep and lamb producers;
- to carry out activities necessary for the advancement of the sheepmeat and live sheep export industries;
- to collect and disseminate information concerning the sheepmeat and live sheep export industries;
- to co-operate with industry stakeholders and organisations at the state and national level and overseas;
- to maintain interaction and co-operation with its Members, relevant Government departments and authorities at Federal, State, and local government levels, and with other relevant industry organisations;
- to promote the development and resourcing of the agricultural and pastoral industries of Australia;
- to act as the Prescribed Body for the sheepmeat industry in Australia within the Red Meat Industry MoU under the Act;
- to oversee the implementation of the Sheepmeat Industry Strategic Plan (SISP).