



11 September 2020

Mr Ross Carter
Inspector-General of Live Animal Exports
Department of Agriculture, Water and the Environment
GPO Box 858
CANBERRA ACT 2601

Dear Mr Carter,

RE: Implementation of Moss Review recommendations

The National Farmers' Federation (NFF) welcomes the opportunity to provide a submission to the Inspector-General of Live Animal Exports (IGLAE) review of the progress of the Department of Agriculture, Water and the Environment (the department) in implementing the 31 recommendations of the independent Review of Regulatory Capability and Culture of the Department of Agriculture and Water Resources in the Regulation of Live Animal Exports (Moss Review).

The NFF was established in 1979 as the national peak body representing farmers and the agriculture sector more broadly across Australia. The NFF's membership comprises all of Australia's major agricultural commodities across the breadth and the length of the supply chain, including live export. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

The NFF supports a sustainable live animal export industry that continues to deliver benefits to regional Australia and positive animal welfare outcomes in line with community expectations. Australia's live export trade is critical to many Australian farmers and regional communities and makes a significant contribution to the broader Australian economy (\$2 billion in 2017-18)¹. Australia is a leader in the global live export industry as the only country that demands welfare is monitored and protected through the whole supply chain.

The Australian live export industry, over the past three years, has responded proactively and effectively to changes in regulatory requirements and the introduction of new and additional requirements, ensuring the industry remained viable and sustainable while addressing community concerns.

¹ <https://auslivestockexport.com/about-alec/economic-impact>



NFF members the Australian Livestock Exporters' Council (ALEC), Cattle Council of Australia (CCA), Sheep Producers Australia (SPA), and the NFF themselves have been closely involved in the numerous reviews and inquiries into the live export industry over the last three years. The NFF has developed this submission in support of the comments made by these organisations, whose members are directly engaged in the live export industry.

Recognition of industry performance and improvement

Recommendation 1 & 4

Industry appreciates the role of well targeted regulation in supporting good welfare outcomes, underpinning community confidence and supporting a sustainable live export trade.

There is a considerable amount of monitoring and reporting pre, during and post export of an animal. Much of this reporting is independent, department-led, and industry supported. The results from this reporting could be better utilised, and the department should consider using these results to recognise, incentivise and reward good exporter performance. Further to this point, the NFF refers to the issues raised in the ALEC submission regarding the need for clarity about the department's expectations for voyage mortality rates. Substantial costs are associated with implementing new measures such as reduced stocking densities, on voyages where mortality outcomes are already very low. It is not clear what rate of mortality would be considered satisfactory by the regulator.

The NFF support the ASEL process and believe that reviewing the program every three years is appropriate. Improvements could be made in the efficiency of implementation. The review that developed Version 3.0 began in July 2017. This is a three-year wait for implementation, which means that the next ASEL review will be due before the outcomes of the last review are implemented.

Roles and responsibilities

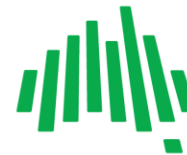
Recommendation 2, 13, 26

We refer to the submission provided by ALEC, which raises concerns about the lack of clarity between the powers and responsibilities of the department's Canberra office and the regional offices, particularly with regard to the administration of Approved Arrangements.

Animal Welfare indicators

Recommendation 3, 24

While mortality is the most appropriate and scientifically consistent measure currently available, we understand that it does not provide a full picture of the



success of a live animal export voyage. The NFF supported the McCarthy Review recommendation, which noted '*industry should move from a risk assessment based on mortality to a risk assessment based on animal welfare*'. In order to be confident that additional animal welfare indicators are an appropriate regulatory measure, scientific research must be completed to determine if and how they can usefully and consistently be interpreted. Until this research has been completed, mortality is the most appropriate measure and should continue to be used.

The NFF understands that progress is being made on the development of onboard animal welfare indicators that meet the needs of the regulator and any additional needs of industry, in addition to consistent, standardised procedures for collecting this data. Robust, reliable and credible data on animal welfare outcomes on live export vessels will enable verification by the regulator that requirements for animal welfare outcomes onboard live export voyages, as prescribed in regulation, were met; and to conduct appropriate investigations in circumstances where prescribed outcomes were not met. It will also enable transparent reporting of animal welfare outcomes on live export vessels to the community.

Regulatory performance

Recommendation 5, 10, 17, 21, 22, 23, 25, 28, 30 & 31

Culture

The NFF notes that there has been cultural shift within the department and is supportive of the direction this is taking. Industry appreciates the efforts of the department to encourage officials to gain a first-hand understanding of the supply chain, and to create a more forward-looking regulatory approach, though there are still improvements to be made. For example, NFF is aware of concerns that biases from staff trainers are passed down to new staff who are being trained.

Skills and experience

There has been a significant staff drain from key areas within the department. This is likely a direct result of the closure of regional offices to achieve cost efficiencies. Recent recruitment activities have targeted specific skills and expertise in the regulation of live animal exports to fill the growing gaps. It is important that this targeted hiring continues.

Coordination

The NFF supports the Australian Animal Welfare Standards and Guidelines process for setting minimum welfare standards in Australian agriculture. It is important to note that both the standards for cattle and sheep, developed jointly by industry and government, have been endorsed by all jurisdictions, but have not been adopted by all states and territories. The department has a responsibility to promote consistency in application and assessment of animal welfare outcomes,



and therefore the NFF does not agree that recommendation 27 can be deemed as complete.

Scientific assessment and the animal welfare branch

Recommendation 6, 8 & 14

It is essential to the future of the live export trade that the department is adequately resourced to fulfil its regulatory requirements and is furnished with the appropriate mix of skills that offers a true understanding of the industry. The NFF appreciates that the reintroduction of the animal welfare branch in the department has included a significant number of positions requiring veterinary degrees, increasing the department's internal technical expertise.

We understand the animal welfare branch is intended to be responsible for the ongoing development of ASEL, systems verification and broad stakeholder engagement, and recognise the positive outcomes that have been achieved. However, the NFF is aware of concern among the live export industry that the role of the branch is no longer clear, with the branch now undertaking a range of additional scientific and technical assessments that would be more appropriately undertaken by the research and development corporations. A more strategic and considered approach to the scheduling and scope of reviews is also needed – for example, the rationale for the recently initiated review into heat and cold stress in *Bos Taurus* cattle during long haul export by sea is unclear, and has come before the implementation of ASEL 3.0, scheduled for 1 November.

Industry is particularly concerned that the department is not effectively utilising the scientific expertise, rigour and knowledge of the live export research and development corporation, LiveCorp. LiveCorp, as the live export industry-focused research organisation jointly funded by industry levies and government funds, is best placed to generate and validate the science necessary for the justification of regulatory reform. The further advantage of this approach is more effective use of exporter levies (and government matching funding), particularly noting the department's intention to cost recover some activities of the animal welfare branch.

The NFF agrees that animal welfare organisations can play an important role in identifying non-compliance with Australian standards. However, we have concerns that some of these organisations are activist organisations fundamentally opposed to the existence of the livestock export industry. We hold similar concerns about the role of animal activist organisations in the Live Export Animal Welfare Advisory Group (LEAWAG). The establishment of LEAWAG, made up of industry, animal welfare organisations, academia and governments, was a positive initiative designed to facilitate discussion about management of animal welfare in the live export industry, and the NFF appreciates the opportunity to participate in this group. However, there is growing concern that LEAWAG is not operating as it was



initially intended. Activist groups that participate in LEAWAG are opposed to the livestock export industry and actively campaign for its closure – this is at odds with the aim of industry and governments to improve and support the live export trade.

Approved arrangements

Recommendation 7

The NFF supports the recommendation for a strengthening of the approved arrangements model for live animal exports by introducing full inspections of consignments on a random unannounced basis. This should be implemented as a priority to increase confidence in the current system. We also refer to the submission made by ALEC, which outlines a number of broader concerns relating to the administration of the approved arrangements scheme.

Independent assurance and reporting of exporters animal welfare management

Recommendation 9, 11, 19,

Independent assurances of animal welfare management are important to public confidence and accountability for the industry. The NFF supported the introduction of the Independent Observers on livestock export voyages, and further supported the October 2019 decision to repeal the requirement for IOs to travel on low-risk short-haul voyages, and move to a more risk-based approach. However, the NFF did become aware of industry concerns about the current program's efficiency, and its ability to deliver on its intention. These are outlined in our submission into the Independent Observer Deployment Policy consultation paper in December 2019.

Improved and independent incident reporting, as a result of the implementation of the Moss Review recommendations, has matched industry's efforts to improve the levels of transparency within the industry. The department must continue to support industry's aspiration, through improving the efficiency of the reporting from Accredited Veterinarians, Accredited stock persons, and Independent Observers.

Cost recovery

Recommendation 16

The NFF supports a sustainable funding model for regulation of live animal exports that considers the significant contribution the industry makes to the economy and viability of many regional communities, that incentivises efficiency improvements and is consistent with the Australian Government's Cost Recovery Best Practice Guidelines.



The department has advised that it will be reviewing live export cost recovery arrangements in 2020. This review should give consideration to the significant public good that accrues to regional communities and the broader economy from a sustainable live export industry. It should also recognise that Australia's live export industry is highly regulated and full cost recovery is not appropriate for new regulatory measures intended to increase transparency for public interest rather than drive welfare improvements. Finally, cost recovery arrangements must incentivise regulatory efficiency improvements. All regulatory costs need to be continually assessed to ensure regulation is well targeted and efficient in its operation.

The NFF support ALEC's recommendation that government consider a third-party agency, such as the Productivity Commission or private sector accounting/finance firm, to conduct a more independent detailed structural review of the arrangements to design a system that better aligns regulatory cost structures to business. The benefit which the Australian economy receives from the export industry should provide the government with a vested interest in supporting a sustainable and effective system.

Thank you again for the opportunity to provide input to this inquiry. Should you require any further information in relation to this submission, please contact Adrienne Ryan, General Manager Rural Affairs at the National Farmers' Federation, on 02 6269 5666 or aryan@nff.org.au.

Yours sincerely,

TONY MAHAR
Chief Executive Officer