

# Livestock Export Review

## Final Report

A Report to the Minister for Agriculture, Fisheries and Forestry

23 December 2003

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## Abbreviations

ALEC	Australian Livestock Exporters' Council
ALES	Australian Livestock Export Standards
AMLI	<i>Australian Meat and Live-stock Industry Act 1997</i>
AMSA	Australian Maritime Safety Authority
APLEI	Action Plan for the Livestock Export Industry
AQIS	Australian Quarantine and Inspection Service
AWC	Animal Welfare Committee
DAFF	Department of Agriculture, Fisheries and Forestry
IATA	International Air Transport Association
IRG	Independent Reference Group
LEAP	Livestock Export Accreditation Program
LEICC	Livestock Export Industry Consultative Committee
MLA	Meat & Livestock Australia
NCCAW	National Consultative Committee on Animal Welfare
NLIS	National Livestock Identification System
NVD	National Vendor Declarations
OIE	World Organisation for Animal Health
PIMC	Primary Industries Ministerial Council
PISC	Primary Industries Standing Committee
RMAC	Red Meat Advisory Council
RSPCA	Royal Society for the Prevention of Cruelty to Animals
SLEP	Saudi Live Export Program
WTO	World Trade Organisation

## Section One - Executive Summary

On 10 October 2003 the Minister for Agriculture Fisheries and Forestry, the Hon Warren Truss MP, announced a review into the livestock export industry in response to concerns about animal welfare. Members of the Review were Dr John Keniry (Chair), Dr Michael Bond, Professor Ivan Caple, Mr Lachlan Gosse and Mr Murray Rogers.

The Review examined:

- the adequacy of welfare model codes of practice;
- the adequacy of regulatory arrangements;
- the types of livestock suitable for export;
- supervision of voyages to ensure accurate reporting; and
- the factors that contributed to excess mortalities on the MV *Cormo Express* V93.

The Review focused on voyages to the Middle East because of the number of adverse incidents reported in that trade, but also considered exports of sheep, cattle and goats by sea to other destinations.

Submissions were sought in the national press from people interested in or involved with the livestock export industry and the terms of reference were widely distributed. The Chair also wrote to 21 industry organisations and animal welfare groups.

The Review met with a number of industry and animal welfare organisations in Perth, Canberra, Sydney, Melbourne and Brisbane. It received 248 submissions expressing a wide range of views on the livestock export industry. Concern for the welfare of animals in the trade was central to most comments, with the majority opposing the trade or advocating that it should be allowed to continue only if the welfare of the animals could be assured.

### The livestock export industry

In 2002, Australia exported about 6 million sheep and 1 million cattle, generating over A\$1 billion in export income. The most important market for live sheep was in the Middle East, with an increasingly significant trade for live cattle from northern Australia into South East Asia.

The livestock export industry provides a valuable alternative market for Australia's livestock producers and is particularly important to the economies of the sheep growing areas of Western Australia and the cattle regions of northern Australia. However the Review noted that the red meat export industry, in both absolute and value-added terms, is significantly larger than livestock exports and that adverse incidents in the livestock export industry may have serious consequences for it.

The Review acknowledged Australian exporters are faced with a range of challenges not ordinarily experienced by other exporting countries that create risks they must assess, and manage, to ensure a positive outcome for an export consignment. It acknowledged that the industry had sought to address these issues through its research and development activities; further, through the concerted efforts of industry and government over the past few years

there have been significant improvements in the trade, including in the welfare and treatment of animals along the whole of the export chain.

However recent incidents which have had unacceptable welfare and mortality outcomes, with the unexpected rejection of the *Cormo Express* shipment being the latest, have attracted widespread criticism of the trade within Australia and internationally.

The Review considered a number of issues that contributed to this, and in particular:

- the current meat and livestock industry structure that was introduced in 1998 and was intended to give greater responsibility to the industry itself and minimise the involvement of government; and
- the policy and regulatory oversight of the industry, which spreads responsibilities for addressing and managing risks and ensuring all requirements are met across a large number of parties, both government and industry.

## Conclusions

The Review identified five principles to inform its conclusions and recommendations:

1. The welfare of the animals in the livestock export trade is a primary consideration in all areas of the industry:
  - all stages of the livestock export chain, from farm to discharge into the market, must be able to demonstrate that the welfare of the animals has been addressed in its operation.
2. The Australian Government is responsible for protecting the broader interests of the Australian community in the export process by setting clear standards for the export of livestock, administering them firmly and consistently, and for ensuring governance and reporting arrangements in relation to animal welfare during export are transparent:
  - Australian livestock export consignments must reliably meet international criteria, importing country requirements and Australian animal health and welfare standards.
3. The Australian livestock industry is responsible for development of the livestock export industry by establishing and managing systems that support the adoption of best practice animal husbandry and commercial practices along the export chain:
  - the industry must continue to build its capability so that all participants in the industry are competent and demonstrably operating according to best practice standards and translating that to outcomes consistent with best practice.
4. The livestock export industry is part of the wider Australian meat and livestock industry and the way it operates has implications for the industry as a whole:
  - governance standards and structural arrangements applying to the wider industry must apply to the livestock export industry unless there are clear and objective reasons for varying them.
5. The livestock export industry is uniquely and inherently risky because it deals with sentient animals along an extended production chain, from farm to discharge into the market:

- the preparation of an export consignment must recognise the risks at each stage of the chain and an exporter must be able to demonstrate that appropriate systems are in place to ensure the risks have been met in accordance with government regulatory requirements and industry quality assurance systems.

## Recommendations

The Review made the following recommendations:

### Recommendation 1

There must be a national standard for livestock exports, the “Australian Code for Export of Livestock”, which focuses on the health and welfare of the animals during export and which is consistent with the Model Codes as they are updated:

- States and Territories should be consulted in the development of the standard and the views of industry and animal welfare groups should be taken into account;
- the standard must recognise the outcomes sought in the export of livestock and take into account the whole process for sourcing, preparing, assembling and transporting animals for export;
- the standard must be directly referenced in the *Australian Meat and Live-stock Industry Act 1997* and the *Export Control Act 1982*; and
- an interim national standard must be in place by 1 May 2004 and finalised by 31 December 2004.

### Recommendation 2

Government must be solely responsible in the relevant legislation for granting export licences and permits and enforcing compliance by exporters against the national standard:

- the Government may take into account the views of an industry group on whether a particular exporter has met industry quality assurance standards but must not be constrained by those views in making its decision.

Industry should be responsible for research and development and management of quality assurance systems to support its members translate best practice standards into outcomes consistent with best practice:

- its activities should be funded by compulsory levies.

### Recommendation 3

The criteria for approval of export licences and export permits should be more closely linked in the legislation and include:

- an assessment of the export history of the exporter as well as their related entities;
- for the grant of an export licence, an exporter must be required to demonstrate that they have systems in place to meet the national standard for livestock export; and
- for the grant of an export permit, an exporter must be required to attest that the national standard has been met.

#### **Recommendation 4**

‘Third party’ veterinarians responsible for the treatment and preparation of animals for export must be directly contracted and accountable to AQIS in the performance of their duties:

- they must be registered with a state veterinary board;
- their responsibilities must be referenced in export legislation with suitable penalties for any breach;
- livestock exporters should be allocated a ‘third party’ veterinarian by AQIS at the time they advise AQIS that they intend to export; and
- livestock exporters should pay all costs associated with the services of these veterinarians.

#### **Recommendation 5**

A registered and suitably qualified and trained veterinarian should be on board all livestock export ships where the journey would take over 10 days:

- AQIS should randomly nominate at least 10% of other livestock export voyages and a veterinarian should be on those voyages;
- the veterinarian should be required to report directly to AQIS on specified matters including any animal mortalities or morbidity, and any environmental conditions on the ship that might impact on the health and welfare of the animals, including any malfunction of feeding, watering or ventilation systems;
- copies of the veterinarian’s report should be made available to industry to enable it to enhance its quality assurance programs; and
- livestock exporters should pay all costs associated with the services of these veterinarians.

Industry should continue to develop its Shipboard Program for stockmen to ensure appropriate knowledge and skills are available on board vessels during a voyage.

#### **Recommendation 6**

There must be a continuation of the current industry investment in rigorous research and development programs on the suitability of different types of livestock for export:

- in the meantime exports should be banned in circumstances where the available evidence indicates that the risks of adverse outcomes are predictably high;
- this would mean the closure of ports such as Portland and Adelaide during those periods of the year when the risks are greatest.

**Recommendation 7**

Government and industry must work cooperatively to secure the agreement of a country in the Middle East region to establish an operational quarantine holding facility by the end of December 2004:

- if such a facility is not available by that time, the livestock trade to the region should be reviewed;
- if animals exported from Australia are not unloaded within 48 hours of the ship berthing, they must be moved as quickly as possible to the quarantine facility; and
- the quarantine facility must allow for testing and analysis of animals in the shipment for final determination, access to a robust and transparent dispute resolution mechanism, and quick destruction of the animals if necessary.

The livestock export trade with Saudi Arabia must not resume until there are robust written conditions determined between the governments of Australia and Saudi Arabia which ensure that:

- Saudi Arabia or the Gulf Cooperation Council is involved at an early stage, possibly pre-embarkation, in approving the health status of the animals;
- testing and analysis of the animals in the shipment at the time of first arrival is transparent and reliable; and
- the animals can be moved to the quarantine holding facility for further determination.

**Recommendation 8**

A national response system should be established to plan and manage any future livestock export emergency, possibly modelled on AUSVETPLAN.



## Section Two - Background and Context to the Review

### 1 Background to the Review

On 10 October 2003 the Minister for Agriculture Fisheries and Forestry, the Hon Warren Truss MP, announced a review into the livestock export industry. The Review was supported by the Primary Industries Ministerial Council which at its meeting of 2 October 2003 had discussed the significant community concerns about the welfare of livestock exported from Australia following the events surrounding the *Cormo Express* incident.

The Terms of Reference of the Review were to examine:

- (i) the adequacy of welfare model codes of practice as they apply to the preparation and export of livestock;
- (ii) the adequacy of current regulatory arrangements for the live export trade from farm of origin to ultimate destination;
- (iii) the types of livestock suitable for export, especially ewes;
- (iv) the need for supervision of each export voyage, in a manner that ensures accurate and transparent reporting of the condition of the livestock; and
- (v) the specific factors that contributed to the excess mortalities on the *MV Cormo Express* V93 with particular reference to compliance with the requirements of the Saudi Livestock Export Program and associated arrangements for the Saudi market.

The Review was asked to take into account the recommendations of the Independent Reference Group in 2002 and implementation of the Action Plan for the Livestock Export Industry (APLEI) announced in October 2002, which was being progressed through the Livestock Export Industry Consultative Committee (LEICC), and in particular the adequacy of:

- the legislative and administrative arrangements being developed, including industry arrangements for developing and enforcing appropriate standards for livestock exports; and
- risk management strategies necessary to address the health and welfare of animals during an export journey, including measures to ensure the live export industry is able to manage unforeseen events associated with the trade.

Dr John Keniry was appointed as Chairman of the Review. Other members were Mr Murray Rogers, Professor Ivan Caple, Dr Michael Bond and Mr Lachlan Gosse. Further information on the members of the Review is at Appendix 1.

The Minister asked the Review to report to him by the end of December 2003.

The Review was supported by a small secretariat within the Department of Agriculture, Fisheries and Forestry and Secretariat Australia Pty Ltd, an independent company

specialising in committee management and research services, that assisted with the receipt and handling of submissions.

## **2 Scope of the Review**

For the purposes of its inquiry, the Review accepted the definition of livestock in the *Australian Meat and Live-stock Industry Act 1997* (AMLI Act): cattle, calves, sheep, lambs and goats. However, the Review noted that the relevant Orders under the *Export Control Act 1982* define 'live animal' more broadly and that the Australian Livestock Export Standards (ALES) include the export of live buffalo. The Review did not consider that these differences made any substantial difference to its conclusions, given the predominance of sheep and cattle in livestock exported from Australia.

The Review focused on voyages to the Middle East because of the number of adverse incidents reported in that trade, but also considered exports of sheep, cattle and goats by sea to other destinations. Because of the limitations of time it did not consider issues associated with airfreight of animals.

## **3 Conduct of the Review**

The Review met four times to consider its approach, discuss the views being put to it in submissions and consultations, and to consider its conclusions.

It actively sought the views of people interested in or involved with the livestock export industry. Submissions were sought in the national press and the terms of reference were distributed widely, including by media release. The Review Chairman wrote to twenty-one industry organisations and animal welfare groups to seek their views. He also sought information from the Kingdom of Saudi Arabia on the *Cormo Express* incident.

The Review met with a number of industry and animal welfare organisations in Perth, Canberra, Sydney, Melbourne and Brisbane to follow up issues raised in their submissions.

In view of the tight timeframe under which the review operated, it accepted submissions up until its final meeting on 12 December 2003.

## 4 Submissions

The Review received 248 submissions.

Of the submissions, 83% were from individuals and the remaining 17% were made on behalf of organisations:

Category	No. of submissions	Percentage
• Individual (affiliation not specified)	190	76.5%
• Individual (veterinarian/other professional)	8	3%
• Individual (livestock producer)	7	2.8%
• Representative Organisation (animal welfare)	8	2.8%
• Representative Organisation (industry)	19	7.6%
• Corporation (livestock exporter)	4	1.6%
• Corporation (livestock/shipping/air)	4	1.6%
• Business (affiliation not specified)	4	1.6%
• Government (State)	2	0.8%
• Government (Federal)	1	0.4%
• Government Agency	2	0.8%
• Scientific/Research/Academic	1	0.4%

Of the submissions from individuals, 89 (37.5%) were from overseas, predominantly the United States and Canada. Of the overseas submissions, two were in the ‘Representative Organisation (animal welfare)’ category. Many of these made reference to information that had been posted on the internet.

Many (57.5%) submissions were simple statements expressing views opposed to the livestock export trade, while 38.5% of the submissions were substantial documents that commented on all or most of the terms of reference.

A majority (76%) of submissions expressed views opposed to the livestock export trade. Of the other submissions almost all expressed the view that improvements were needed to ensure the welfare of animals was addressed.

The list of people and organisations who made submissions to the Review is at Appendix 2

## 5 Snapshot of the livestock export industry

### *History of the trade*

The first export of livestock from Australia was cattle exported from the Northern Territory in 1885 to Hong Kong, followed by Singapore and Indonesia. This trade ceased around 1889 due to an outbreak of disease. Exports of livestock re-emerged sporadically over the period from the late 1940s through to the 1970s, and were becoming a significant alternative to the slaughter industry by the late 1970s.

### *Numbers, value and destinations*

In 2002, approximately 6 million sheep and 1 million cattle went to the livestock export trade. Overall, livestock exports generated over A\$1 billion of export income for Australia in 2002-03.

The destination of these animals was largely dependent on whether they were sheep, cattle, or goats.

In 2002, the most important markets for sheep and goats, both numbers and value, were long haul voyages to the Middle East and, for feeder cattle, short haul voyages to South East Asia.

In summary, 10 Middle East countries, Saudi Arabia, Kuwait, Jordan, the United Arab Emirates, Bahrain, Oman, Qatar, Palestinian Territories, Israel and Lebanon accounted for over six million sheep, which was 98% of total sheep exported. These markets were worth over A\$400 million.

Australia's most significant live cattle export trade is in live feeder cattle. In 2002 over 960,000 were exported at a value of almost A\$600 million. Indonesia accounted for 44% of these and is the reason why 68% of cattle exports were voyages of less than 5 days.

Breeder cattle comprised only 2% of the total number of cattle exported from Australia at a value of almost A\$26.5 million. However, markets for breeder cattle are becoming more diverse, particularly with greater numbers of dairy cattle being exported. The major markets are China and Mexico, with others including the United Arab Emirates, Indonesia, Egypt and India.

The export of goats is still relatively limited compared with sheep and cattle, with the major markets being Malaysia and Saudi Arabia. Other markets include China, the Republic of Korea and the United Arab Emirates. The total number of goats exported in 2002 was 135,532 valued at A\$10 million.

Tables setting out data on export destinations, numbers of animals exported and the value of the export, for cattle, sheep and goats, are in Appendix 3.

### *Seasonal variations in exports*

Strong seasonal variations can also be seen in the export of sheep, cattle and goats. Exports of sheep tend to peak about December and January immediately before the Haj festival in the Middle-East markets, with cattle exports reflecting seasonal conditions in northern Australia and peaking during the drier winter months.

Tables setting out data on seasonal patterns in exports of sheep and cattle are in Appendix 4.

### *Regional patterns for livestock exports*

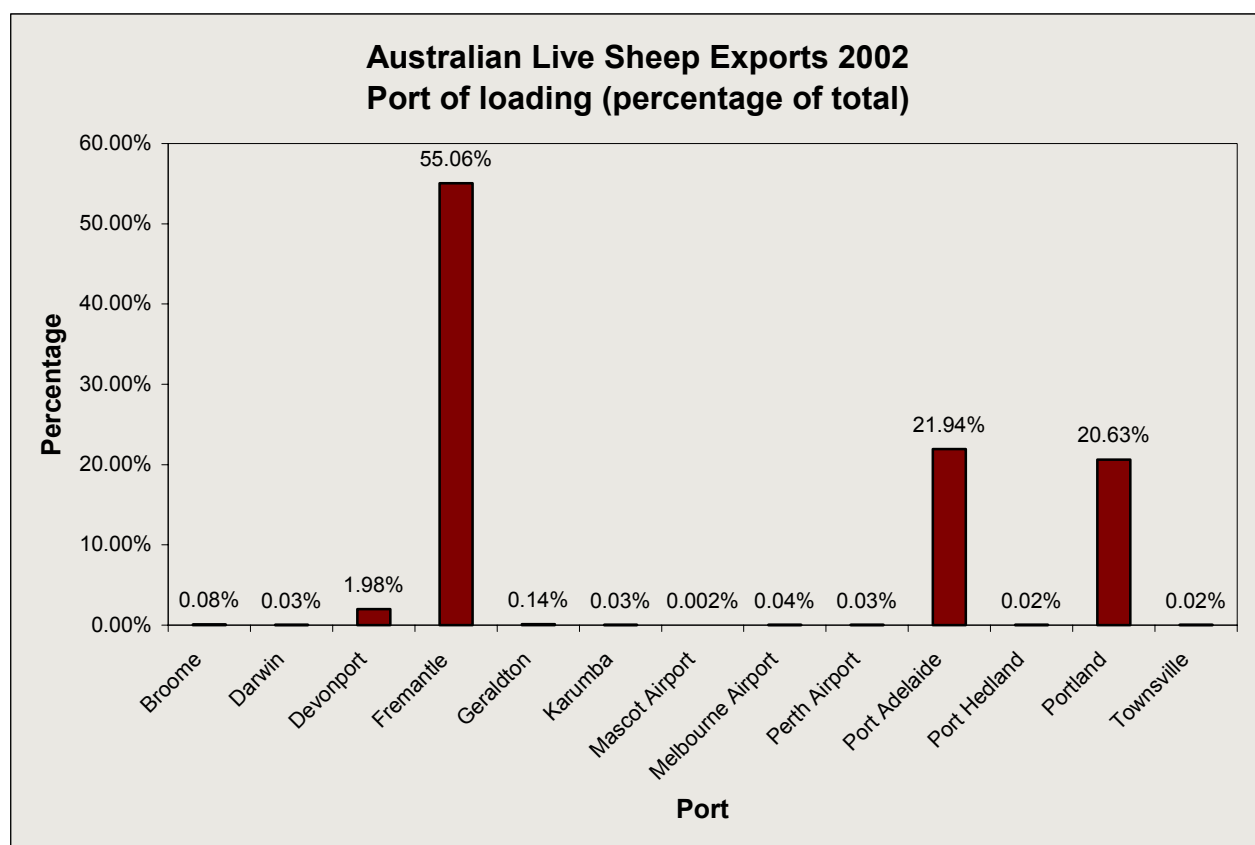
It is important to note that livestock exports are particularly important to the economies of some regions of Australia, in particular the sheep growing areas of Western Australia and the cattle regions of northern Australia. About 50% of Western Australia's sheep turnoff goes to live

export. This is reflected in the dominance of Fremantle as a port of loading for sheep, accounting for over 55% of all sheep exported from Australia. Between 40 and 50% of Western Australia's cattle turnoff are exported live, mostly from ports in the north of the state.

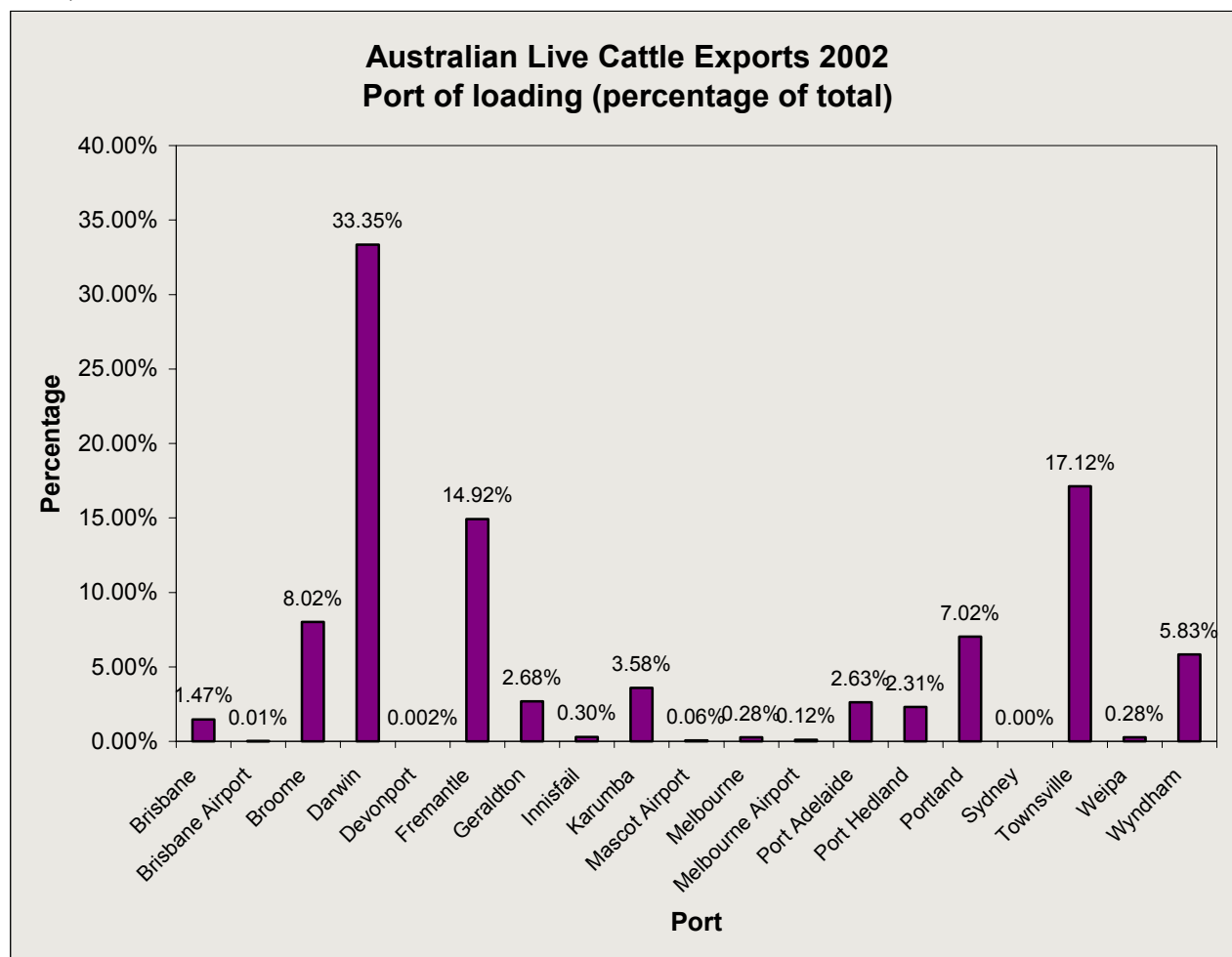
Figures 1 and 2, below, show clearly the regional importance of livestock exports of sheep and cattle from various ports in 2002.

**Figure 1** – Australian live sheep exports (percentage of total) from port of loading.

Source: MLA.



**Figure 2** – Australian live cattle exports (percentage of total) from port of loading (Source: MLA).



#### *Livestock exports compared with red meat exports*

It is instructive to compare the size and value of livestock exports with the wider red meat industry.

In 2002, 32 million sheep and lambs were slaughtered in Australia. Of the processed product, 43% was exported. In the same year 8.5 million cattle were slaughtered in Australia. Of the processed beef product, 63% was exported.

In the five years to 2002, on average beef exports were valued at A\$4 billion each year. This compared with around A\$1 billion for all live cattle, sheep and goat exports combined. When the value of processed lamb, mutton and goat is added to that of processed beef, bringing the total value of red meat exports to over A\$5 billion, the relative importance of the industries in both absolute and in value-added terms is clear.

Table 1 provides aggregated export information for red meat exports (by approximate tonnage and value) and live animal exports (by approximate number and value) for five years to calendar year 2002.

**Table 1** – Aggregated export information for red meat exports (by approximate tonnage and value) and live animal exports (by approximate number and value) for five years to calendar year 2002. (Source: DAFF)

	1998	1999	2000	2001	2002	3 Yr av
Beef (tonnes/A\$)	876,761 \$2.8 b	876,853 \$2.9 b	928,262 \$3.5 b	972,252 \$4.5 b	947,674 \$4.1 b	950,000 \$4 b
Lamb (tonnes/A\$)	77,094 \$295 m	85,400 \$318 m	114,000 \$448 m	113,626 \$579 m	108,213 \$566 m	112,000 \$530 m
Mutton (tonnes/A\$)	163,556 \$352 m	171,703 \$326 m	186,076 \$376 m	184,224 \$510 m	172,690 \$520 m	180,000 \$469 m
Live Cattle (head/A\$)	621,287 \$293 m	844,835 \$417	892,876 \$479 m	822,474 \$543 m	971,880 \$610 m	895,000 \$544m
Live Sheep (head/A\$)	5.0 m \$192 m	5.0 m \$184 m	5.4 m \$212 m	6.8 m \$362 m	6.0 m \$409 m	6.0 m \$327 m
Goat meat (tonnes/A\$)	7,662 \$24 m	7,764 \$24 m	10,569 \$38 m	10,708 \$36 m	13,773 \$47 m	11,000 \$40 m
Live Goats (head/A\$)	59,225 \$3.3 m	66,150 \$2.8 m	51,301 \$3.0 m	106,019 \$6.7 m	136,125 \$10.2 m	98,000 \$6.6 m
Total (A\$)	\$3.9 b	\$4.1 b	\$5 b	\$6 b	\$6 b	\$6 b

### *The trading environment*

The livestock export industry has a number of features that distinguish it from other agri-food export industries and the red meat industry in particular.

As indicated above, it has a relatively narrow spread of markets. For the live sheep export sector in particular, these markets are focused on a region that is not well connected into the trading systems operating under the World Trade Organisation (WTO) and which, therefore, are not signatories to those rules and agreements.

Compared with the red meat industry, with the exception of shipowners, the majority of exporters have relatively less investment in the industry in terms of both capital and in the ‘branding’ of their product.

For the most part, the companies that hold export licences operate in only a relatively limited part of the livestock export supply chain – at the point of presenting the animals for export and gaining an export permit. In general, they do not see themselves as having responsibilities for meeting standards, either up or down the chain.

The industry tends to operate on a ‘free on board’ basis so that once the animals are loaded on ships and given an export permit, the Australian companies have limited control over what happens. The animals do not carry the ‘brand’ of the exporting company and therefore there is no inbuilt incentive for an individual export company to ensure and promote the quality of the product in the market. It also means that, inevitably, in the absence of a more specific brand, the animals are regarded as carrying a generic brand ‘Australia’. For this reason, if no other, the Australian Government has carried a greater degree of responsibility for ensuring the integrity of the trade and guaranteeing its quality.

### *Impacts of adverse events*

The much larger size of the red meat industry compared with the livestock export industry, in both value and absolute size, means it is important to keep in perspective the consequences of adverse incidents in the livestock export industry and the potential for flow-on impacts to Australia's red meat trade from unfavourable perceptions of the livestock exports industry.

It is also clear that the economies of some regional areas could be significantly affected by ongoing problems in the livestock export industry, especially if these lead to the loss of markets or the closure of the trade altogether. The northern Australian cattle industry and the Western Australian sheep industry would be likely to suffer most. But should the livestock export industry cease altogether, it is likely that a proportion of the approximately A\$1 billion export revenue potentially lost would be recovered by way of cross-substitution in the market, with some supply going into the processing sector.

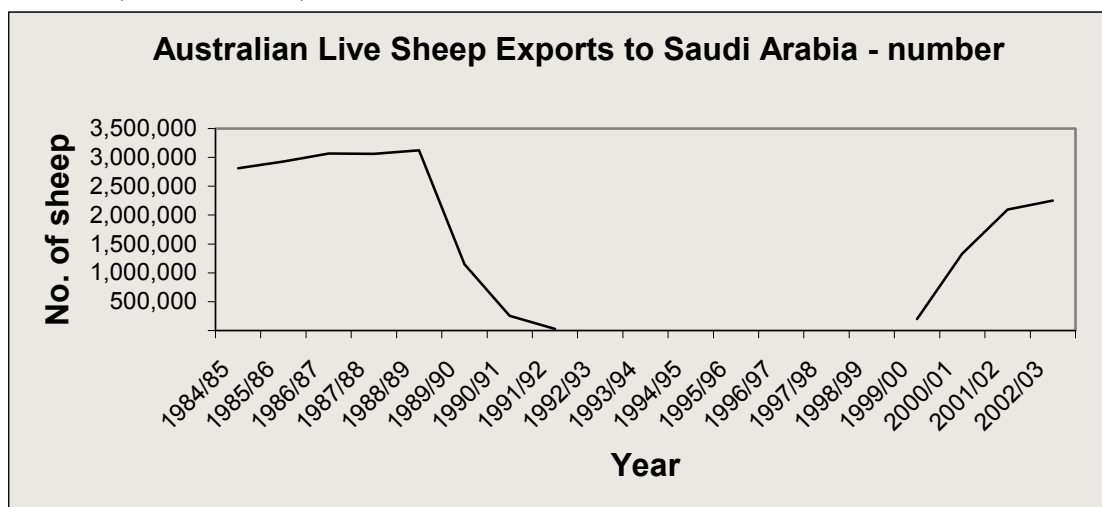
Nevertheless, the livestock export industry provides a valuable alternative market for livestock producers. Since the closure of the Saudi Arabian market in late October 2003, wether prices in Western Australia have dropped by A\$10 to A\$20 per head. This highlights the significance of the livestock export trade in providing market competition with improved returns to producers.

It may be that this downturn will be short-term only. Australian live sheep exports to Saudi Arabia were suspended in 1990 and did not resume until 2000, but total live sheep exports to the region nevertheless performed strongly after an initial dip reflecting this suspension. Australian Bureau of Statistics data indicate that total live sheep exports to the Middle East fell from 5.2 million head in 1989 to 3.3 million head in 1990, but had more than recovered to reach 5.8 million head in 1995. Exports fluctuated between 4.5 million head and 6.6 million head in 2001 after the reopening of trade to Saudi Arabia in 2000 although they fell to 6 million head in 2002, probably due at least in part to drought-induced supply problems.

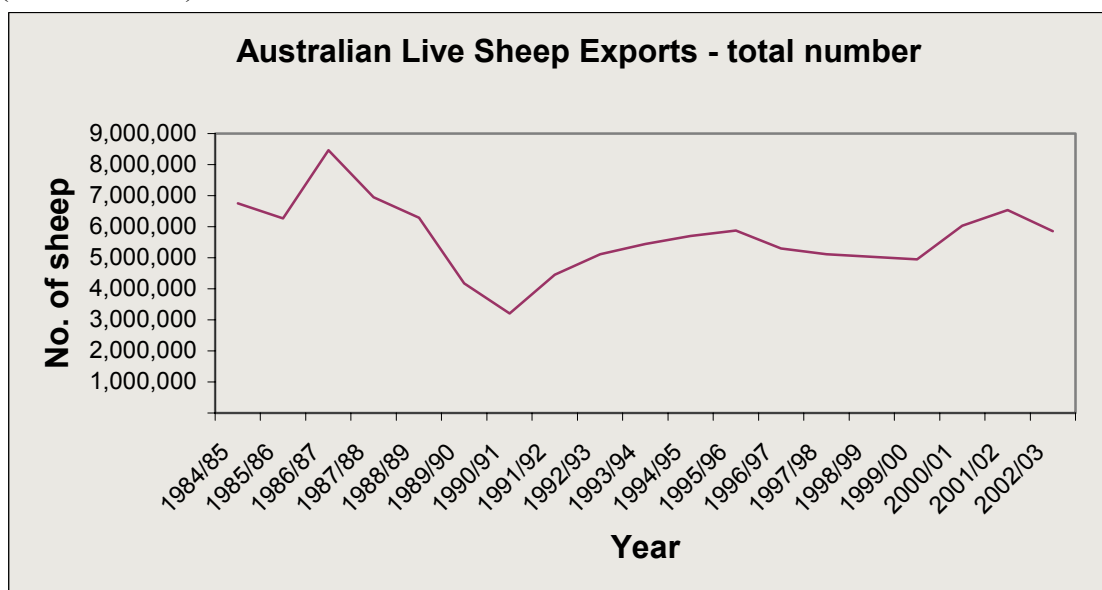
Figures 3 and 4 compare numbers of live sheep exported to Saudi Arabia since 1984-85 with all Australian live sheep exports.



**Figure 3** – Australian live sheep exports to Saudi Arabia by number from 1984-85 to 2002-03 (Source: MLA)



**Figure 4** – Total number of Australian live sheep exports from 1984-85 to 2002-03 (Source: MLA)



## 6 Welfare issues and performance

Australia exports the largest number of livestock in the world. Because of Australia's size and geographical location, Australian exporters must deal with a range of problems not ordinarily experienced by other exporting countries. These include distance, climate variation, regional differences and issues related to the complexities of having a federal system of government. They also must deal with the uncertainties and challenges of markets where animal welfare standards and practices differ significantly from those in Australia.

It is the way that exporters assess and address the risks that arise from these factors, individually and in combination, in relation to a particular consignment, that ensures a positive outcome or not. Certainly, reviews of a number of adverse incidents have relatively easily identified, in hindsight, those risk factors that were inadequately understood or managed.

The industry has sought to address these issues through its research and development program. The results of many research projects have contributed substantially to industry knowledge on best practices and outcomes, and underpin many of the improvements in the industry.

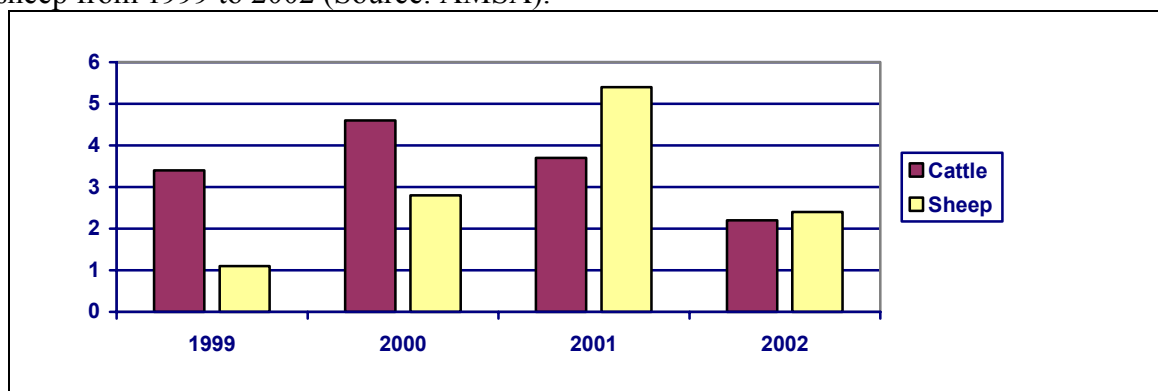
One example is the industry-funded research conducted on the ventilation efficiency of ships in the trade and its importance in reducing the effects of heat stress on sheep and cattle. This work has enabled the introduction of a scientifically-based risk assessment model to manage the problems of heat stress and salmonellosis in consignments travelling during Australia's winter months. It was important in achieving improved outcomes for livestock exports to the Middle East in 2003, a year in which, with the exception of the *Cormo Express* incident, there were no shipments in which sheep mortalities reached 2% - the level required to be reported to the Australian Maritime Safety Authority (AMSA).

The Review understood that the industry proposes to extend this work to consider other risk factors, such as those associated with the preparation and transport of livestock, including watering and feeding regimes, culling practices and transport and handling approaches.

Further, and to its credit, the industry is also making substantial investment in programs to assist countries accepting Australian animals. The industry has invested A\$3.3 million to improve welfare outcomes in overseas destinations, with a focus on providing technical assistance and funding to improve unloading facilities, training for abattoir staff and the installation of equipment to improve slaughter practices. The industry has also based a permanent Arabic-speaking veterinarian in the Middle-East whose responsibilities include the provision of technical advice on animal health and husbandry practices.

Whilst focusing on mortalities as the sole indicator of a successful outcome is not sufficient for an industry for which animal welfare concerns should be a primary consideration, it should be noted that there have been substantial improvements in this area in the past few years: overall sheep mortalities have declined from 1.34% in 1999 to 0.79% for the year to September 2003; cattle mortalities have followed a similar trend, declining from 0.34% in 1999 to 0.11% in the latest year to date as shown in Figure 5.

**Figure 5** – Percentage of voyages resulting in reportable mortality incidents for cattle and sheep from 1999 to 2002 (Source: AMSA).



## 7 Structure of the industry

The current structure of the red meat industry (primarily cattle, sheep and goats), of which the livestock export industry is a part, was introduced in 1998 by the red meat and livestock industry reforms. These were designed to give greater responsibility to the industry itself and to minimise the involvement of government in its activities. Concepts of self-determination and self-regulation underpinned the reforms, which at the same time sought to ensure appropriate representation, governance and accountability for its activities through the new industry structures.

The key elements of these reforms were the establishment of the Red Meat Advisory Council (RMAC) and a new producer-owned service delivery company, Meat & Livestock Australia (MLA).

The RMAC was established as an industry forum of six peak industry councils: Cattle Council of Australia, Sheepmeat Council of Australia, Australian Lot Feeders' Association, Australian Livestock Exporters' Council, Australian Meat Council and the National Meat Association of Australia. Its role was to advise the Government on whole-of-industry matters, including industry multi-sector policy and strategic matters. The Goat Industry Council of Australia maintains a link with RMAC, but is not a member.

MLA was established as the marketing and research provider company for the red meat industry. It provides programs and services to the livestock export industry and other industry sectors. However, unlike the funding from producer groups who pay compulsory levies, livestock exporters and meat producers make voluntary contributions to support these programs.

Livestock exporters and meat processors established separate voluntary funded companies (Livecorp Ltd and the Australian Meat Processor Corporation Ltd respectively) with compulsory levies reduced to zero, although the Government retained the power to raise these if industry failed to collect sufficient funds to finance agreed collective activities with producers.

Livecorp (the Australian Livestock Export Corporation Limited) is fully owned by Australian livestock exporters through the Australian Livestock Exporters' Council (ALEC). It is responsible for identifying and supporting research and development initiatives in the interests of livestock exporters, developing and administering industry standards, accrediting livestock exporters against those standards, and providing training

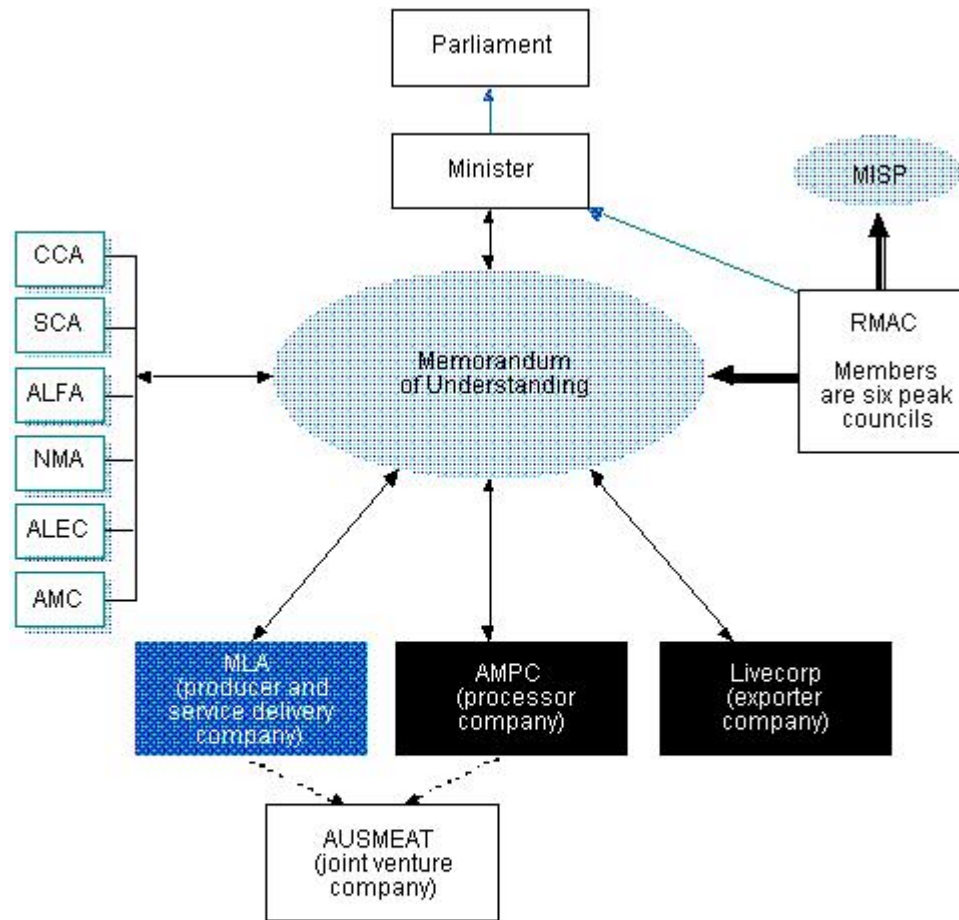
for people in the industry. It administers the Livestock Export Accreditation Program (LEAP), which is the livestock export industry self-regulatory Quality Assurance Program.

AUSMEAT was established as a joint venture company, funded equally by MLA and AMPC to provide auditing services against industry standards and relevant codes of practice, to maintain a universal trading language for meat and livestock and to develop and implement quality assurance systems for the industry.

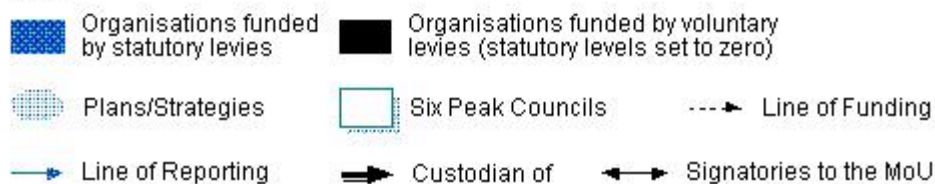
A Memorandum of Understanding was agreed between the various industry sectors, industry-established companies and the Government to achieve cooperation in the overall interests of the red meat industry.

Figure 6 sets out the red meat industry structure showing the relationship among the companies, organisations and government.

**Figure 6** – The red meat industry structure showing the relationship among companies, organisations and government.



**Key**



**Code:**

MISP	Meat Industry Strategic Plan
CCA	Cattle Council of Australia
SCA	Sheepmeat Council of Australia
ALFA	Australian Lot Feeders' Association
NMA	National Meat Association of Australia (amalgamated with AMC in 2003 to form Australian Meat Industry Council)
ALEC	Australian Livestock Exporters' Council
AMC	Australian Meat Council (amalgamated with NMA in 2003 to form Australian Meat Industry Council)
MLA	Meat & Livestock Australia
AMPC	Australian Meat Processor Corporation
RMAC	Red Meat Advisory Council

In addition to the companies established at that time, there are a number of other industry organisations that have an interest in the outcomes of livestock exports including Liveship, which represents the interests of the livestock carriers (i.e. shipowners).

## **8 Policy and regulatory oversight of the livestock export industry**

Policy responsibilities and formal regulatory oversight of the livestock export industry is a shared arrangement between Australian Government and State and Territory agencies. The States and Territories have responsibility for matters of production, management and transport of the animals, while the Australian Government has responsibility for the actual export of the animals.

At the Australian Government level, the activities of the livestock export industry primarily come within the Agriculture, Fisheries and Forestry (DAFF) portfolio.

The Minister for Agriculture, Fisheries and Forestry is advised by a non-statutory committee, the National Consultative Committee on Animal Welfare (NCCAW), on the national implications of welfare issues affecting livestock, wild animals and animals used in research and for recreation; and the effectiveness and appropriateness of national codes of practice, policies, guidelines and legislation to safeguard or further the welfare of animals and protect the national interest.

Within DAFF, a number of business units have responsibility for aspects of the livestock export trade. One of these, Market Access and Biosecurity, is responsible for negotiating the health requirements which importing countries want the Australian Government to certify.

Another, the Australian Quarantine and Inspection Service (AQIS), administers the two primary pieces of Commonwealth legislation governing the industry: the *Australian Meat and Live-stock Industry Act 1997* (AMLI Act) and the *Export Control Act 1982*.

The AMLI Act requires all livestock exporters to have a licence before they are eligible to apply for an export permit for a specific consignment of animals. To be eligible for a licence, an exporter, among other things, must be accredited by Livecorp and must allow Livecorp to audit their quality assurance systems for managing the export of livestock.

As at November 2003, there were 83 livestock exporters accredited by Livecorp who were licensed under the AMLI Act. Of the 83 licensed exporters, 51 held full accreditation and 32 held provisional accreditation from Livecorp, although all are able to export. Of the 83 licensed exporters, 77 were accredited to export by both air and sea, with just six exporters holding air-only accreditation.

Under the AMLI Act, AQIS has power to place conditions on licences. For example, it has used this power to prevent the export of certain animals at particular times of the year, or to prohibit export altogether; and it is through this power that all trade to Saudi Arabia is banned.

The *Export Control Act 1982*, and specifically the *Export Control (Animals) Orders*, requires a licensed exporter to meet a range of other criteria before being issued with an export permit. These criteria largely relate to whether the health and welfare of the animals can be assured in the export process and whether they meet the specifications of the

importing country. Whether the animals meet these criteria is a judgement of an AQIS veterinarian who must issue the export permit. This decision is largely based on documentation presented by a 'third party' veterinarian, employed by the exporter, who is responsible for preparing the animals for export and presenting documentation to the AQIS veterinarian to assure him/her that all requirements have been met. These 'third party' veterinarians are not recognised in the legislation and are solely responsible to their employer, the exporter. The AQIS veterinarian reviews the documentation and inspects the animals before deciding whether to issue the export permit.

Under the *Export Control (Animals) Orders* AQIS has power to place conditions on export permits. For example, it has recently used this power to require exporters to have veterinarians on shipments to the Middle East, and to have those veterinarians report to it on the condition of the animals during the journey.

Issues relating to the welfare of animals on board ship, during an export journey, come within the responsibility of AMSA, which administers the *Navigation Act 1912* and Part 43 of the Australian Commonwealth Marine Orders. These contain provisions relating to ship design, fodder and water supplies, the number of animals that may be carried and their stocking density, and the design and arrangement of pens and care of livestock on board. AMSA's requirements already lead the world in ship design for livestock exports. Further enhancements to the AMSA standards, proposed for introduction in 2006, will mean that many ships currently in the trade will be retired. This should leave a more modern and efficient fleet available for use in the Australian export trade.

The Marine Orders also contain the specific provisions for 'reportable' mortality levels (i.e. the level of mortalities on ships that must be reported to AMSA). This means DAFF and AQIS rely on AMSA for official information on mortalities, which adds to the complexity of the regulatory arrangements for identifying breaches and applying sanctions.

Since 2001, the Saudi Live Export Program (SLEP) has also required that veterinarians employed by the exporter travel on each shipment of sheep and goats to Saudi Arabia and report on the condition of the animals on board. Following the extended closure of the Saudi trade in the early 1990s for alleged significant non-compliances with health requirements, SLEP was introduced as an industry quality assurance program to ensure that industry, Australian Government and importing country specifications are fully met in relation to the export of sheep and goats to Saudi Arabia. SLEP sets out additional requirements to those in the Australian Live Export Standards that must be met by exporters.

The limitation of SLEP is that, apart from being supported by an AMLI Order that prevents export of sheep and goats to Saudi Arabia other than by exporters specifically accredited by Livecorp for that country, it is not specifically referenced in official documentation with the importing country and Australian sanctions for breach of its provisions reside with the industry. Livecorp monitors compliance with SLEP requirements and has responsibility for advising AQIS if there is a breach of SLEP requirements. However up until July 2003 it has never advised any breach, although some veterinarians who accompanied shipments had reported their concerns with some aspects of the voyage.

A full list of the Commonwealth legislation governing the livestock export industry is at Appendix 5.

State and Territory governments also have a range of responsibilities for aspects of the livestock trade. These relate to matters of general animal health and welfare, production, feedlots and holding yards and transportation of the animals to the ports of loading. However, State and Territory governments are not required to assure Australian Government authorities that their requirements have been met prior to export.

The Royal Society for the Prevention of Cruelty to Animals (RSPCA) also has formal responsibilities in relation to livestock exports. It is responsible under the States and Territory Prevention of Cruelty to Animals legislation, for enforcing prevention of cruelty to animals within their areas of responsibility, as well as acting as a lobby group more generally for the prevention of cruelty to animals.

## **9 Codes of practice in the livestock export industry**

Since the early 1990s, the Australian and State and Territory governments have consulted with industry and animal welfare organisations, such as the RSPCA, through the Animal Welfare Committee (AWC) of the Primary Industries Standing Committee (PISC) under the Primary Industries Ministerial Council (PIMC), on the development of Model Codes of Practice for the welfare of farm animals. These Codes cover both their husbandry and transport.

The Model Codes are used by the States and Territories to develop their own codes and to set standards which can be prescribed and enforced by legislation. The codes are also intended to provide a basis for animal welfare standards in industry quality assurance programs, such as Livecorp's Livestock Export Accreditation Program (LEAP).

A list of the eight current codes relevant to the preparation and transportation of sheep, cattle and goats for export is at Appendix 6.

In the past, the process for developing the Codes was often protracted and lacked scientific rigour, although there is now a proposal to reform this process by implementing a structured, scientifically-based process funded by a national cost sharing arrangement between the Australian Government and States/Territories.

However, there are more substantial problems in relying on the Codes to set standards for the livestock industry. To be effective, the Codes have to be located in substantive legislation in each State and Territory. But there is considerable variation among States and Territories in their approach to implementation of the Codes and in some States and Territories the Codes have not been incorporated in legislation. In these circumstances, prosecution for breaches of a Code and application of a sanction is not possible.

The States and Territories are now considering these differences with a view to achieving greater consistency in application of the Codes. In particular, it was agreed at the September 2003 meeting of the Primary Industries Standing Committee that in relation to the Code for regulation of transport of livestock by road, in order to provide greater public assurance that the transport of livestock is being appropriately regulated, particularly for trips that span two or more States, each jurisdiction would examine its existing arrangements and report back on options to ensure compliance with relevant Codes on road transport of livestock. The Review trusts that this will not prove to be yet another example of incrementalism and reactivity to addressing animal welfare concerns.



## 10 Standards in the livestock export industry

The Australian Livestock Export Standards (ALES) are the minimum requirements for the export of cattle, buffalo, sheep and goats from Australia.

The Standards were developed through a committee comprising the Australian Livestock Exporters' Council (ALEC), the Australian Quarantine Inspection Service (AQIS), the Department of Agriculture Fisheries and Forestry (DAFF), the National Consultative Committee on Animal Welfare (NCCAW) and Meat & Livestock Australia (MLA). They were intended to ensure that:

- only healthy animals that meet all animal health and welfare requirements and export specifications are presented for export; and
- there is considerate management with a minimum of stress and injury at all stages of the export process.

Livecorp and others regard the ALES primarily as practicable standards set by and for industry. They are published and maintained by Livecorp and were last reviewed in November 2002.

The matters covered by ALES include:

- selection of animals for export;
- preparation of animals for export;
- use of agricultural and veterinary chemicals;
- management of an assembly depot;
- design and facilities of such depots;
- land transportation requirements;
- inspection for fitness to travel;
- requirements for export by sea or air;
- specifications (and adherence to specifications); and
- humane destruction of animals.

Livecorp assesses exporters' compliance with ALES under the export industry's self-regulatory quality assurance scheme, the Livestock Export Accreditation Program (LEAP). Livecorp administers LEAP. It is intended to ensure that exporters comply with ALES in addition to relevant legislative requirements for export licences and permits and other animal welfare legislation and codes of practice.

In order to attain LEAP accreditation, an exporter must have documented procedures in place, maintain records and undergo a third party audit by AUSMEAT of all procedures, records and facilities against ALES. However, AUSMEAT advised the Review that, for a number of reasons, they find it difficult to do rigorous audits or to ensure appropriate sanctions are applied for poor performance: they are dependent on the exporter advising when a shipment is being prepared, but are usually prevented from observing the full range of activities for which the exporter is responsible because they are not advised when and where preparation of animals commences; they can only audit the activities of accredited organisations in the export supply chain; and sanctions for non-compliance can only be placed on the exporter, not on other individuals or organisations in the supply chain.

Furthermore, it is generally recognised that the ALES are inadequate, focusing on processes not outcomes, and they do not comprehensively cover all issues in the animal welfare codes.

In recognition of these deficiencies, during 2003, Livecorp has been leading a process to review ALES and establish a new industry standards management group to be responsible for them. The proposed group, representing industry and government, would be responsible for overseeing exporter compliance with the standards. These proposals are part of a broader process that may see a merger of ALEC and Livecorp and which seeks to address the allegations of conflict of interest in the current arrangements for development of standards and accreditation of exporters. Under the proposed arrangements, a joint venture company with MLA would undertake responsibility for industry standards, with industry policy and support services residing in the merged industry body.

## **11 The livestock export process**

AQIS is the principal regulatory agency for livestock exports. In practice it is dependent on a number of other parties to ensure that all requirements and specifications are met. The basic process for agreeing import protocols with importing countries, sourcing animals, transporting and preparing and inspecting livestock for export, is set out in Table 2.

**Table 2** – The basic process for agreeing import protocols with importing countries, sourcing animals, transporting and preparing and inspecting livestock for export (Source: DAFF).

ACTIVITY	LEGISLATION/STANDARDS	RESPONSIBILITY
Importing protocols	In accordance with WTO, OIE & Codex Agreements	<ul style="list-style-type: none"> <li>▪ Market Access (DAFF)</li> <li>▪ Biosecurity/Industry (DAFF)</li> </ul>
<ul style="list-style-type: none"> <li>▪ Selection of animals at source</li> <li>▪ Testing &amp; required treatments</li> </ul>	<ul style="list-style-type: none"> <li>▪ Importing Country Protocols</li> <li>▪ Import Permits</li> <li>▪ Australian Livestock Export Standards (ALES)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Exporter/Exporter's Agent</li> <li>▪ 3<sup>rd</sup> Party Vet (on behalf of exporter)</li> <li>▪ Accredited Laboratories (NATA/ANQAP)</li> </ul>
Notice of Intention to Export <i>Consignment Management Plan etc</i>	<ul style="list-style-type: none"> <li>▪ Export Control Act 1982</li> <li>▪ Export Control (Animals) Order</li> <li>▪ Australian Meat &amp; Live-stock Industry (AMLI) Orders</li> </ul>	Provided to AQIS by Exporter
Export preparation site	<ul style="list-style-type: none"> <li>▪ Export Control Act 1982</li> <li>▪ Export Control (Animals) Orders</li> </ul>	<ul style="list-style-type: none"> <li>▪ AQIS – Register Premises</li> <li>▪ State Government assesses compliance with local requirements</li> </ul>
Land Transport	<ul style="list-style-type: none"> <li>▪ Model Codes of Practice</li> <li>▪ State Animal Welfare Acts (ALES)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Exporter</li> <li>▪ State Government assesses compliance against Codes</li> </ul>
Loading	<ul style="list-style-type: none"> <li>▪ Export Control Act 1982</li> <li>▪ Health Certificate</li> <li>▪ Export Control (Animals) Orders</li> <li>▪ Export Permit</li> <li>▪ Navigation Act 1912, M043</li> </ul>	<ul style="list-style-type: none"> <li>▪ AQIS (Health Certificate &amp; Export Permit)</li> <li>▪ AMSA (Vessel Survey)</li> </ul>
Export Journey	<ul style="list-style-type: none"> <li>▪ Navigation Act 1912, M043</li> <li>▪ ALES</li> <li>▪ AMLI Orders</li> <li>▪ International Air Transport Association (IATA)</li> <li>▪ Live Animal Regulations</li> </ul>	<ul style="list-style-type: none"> <li>▪ AMSA (Vessel Survey)</li> <li>▪ Veterinarian/Stockman</li> <li>▪ Daily Reports (if required) to Livecorp</li> </ul>
Discharge	<ul style="list-style-type: none"> <li>▪ Importing Country Clearance</li> <li>▪ Navigation Act 1912, M043</li> </ul>	<ul style="list-style-type: none"> <li>▪ Importing Country Quarantine Officials</li> <li>▪ AMSA – Ship's Master Report</li> </ul>

The complexity of this as a regulatory system, with its myriad and disparate responsibilities, spread across a large number of parties, means that it is difficult to ascribe particular responsibility for problems and ensure compliance with requirements. As a result, and despite its pivotal role, in an environment of industry 'self-regulation', AQIS has found it difficult to

achieve an effective level of over-arching coordination and control. The Review had concerns that the current inspection, certification and approval process by the AQIS veterinarians appears to rely on a simple ticking-off of a checklist, with inadequate audit and verification checks to underpin the process.

This can be seen clearly in the history of investigations and sanctions against livestock exporters. Until October 2002, there had been very few actions taken by either AQIS or Livecorp against livestock exporters for breaches of industry standards or provisions in the legislation. It was considered that, since the 1998 reforms to the industry, Livecorp had the primary responsibility for sanctions against exporters who could be demonstrated to have breached standards. This was through their accreditation role, whereby they could withdraw or downgrade an exporter's accreditation.

Following a series of high mortality events on livestock export ships to the Middle East in 2002, more attention was paid by AQIS to investigating particular causes of adverse events and imposing regulatory sanctions on individual livestock exporters.

Between October 2002 and October 2003, 13 livestock exporters were investigated by AQIS for potential breaches of export regulations. As a result of these investigations one export licence was cancelled and one was suspended. In addition, six exporters were audited by AQIS to verify that they had complied with conditions placed on their export licences.

In July 2003, allegations were made in the national media that the level of mortalities in a consignment of sheep to the Middle East in 2001 had been under-reported. As this was a consignment prepared and exported under SLEP arrangements, all reports of the voyage had been sent to Livecorp. A subsequent investigation by AQIS into the allegations concluded that, notwithstanding admissions by the exporter that the level of mortalities on this and other voyages was routinely under-reported to Saudi authorities, there was no evidence of under-reporting to Australian authorities; therefore no offence had been committed against Australian legislation and no action could be taken by AQIS. Quite apart from this unsatisfactory outcome, the Review questions whether, in a governance sense, AQIS should be the investigator of such claims when it is the agency with the oversight responsibility.

## **12 Previous reviews of the livestock export industry**

Prior to the *Cormo Express* incident, giving rise to this Review, there had been two previous reviews of the livestock export trade, each by an Independent Reference Group (IRG) reporting to the Minister for Agriculture, Fisheries and Forestry.

In July 1999 the IRG was established as a result of several significant incidents relating to live cattle exports in 1998 and 1999. It was asked by the Minister to assess the controls the industry had in place to prevent such situations and to recommend what should be done to prevent further incidents.

The IRG reported in February 2000 that there were clear gaps in key areas of the livestock export process including on-farm, during land transportation and on ships. Key concerns related to the lack of integration of activities across the entire chain, limitations in legislation and regulations between the Commonwealth and the States; problems with the third-party system; weaknesses in AQIS's powers to take firm action against exporters; lack of clarity about the respective

responsibilities of government and industry in setting and administering standards; and a gap in emergency management processes.

The full set of the IRG 2000 recommendations is at Appendix 7.

In October 2002, the Minister reconvened the IRG in the light of a series of livestock export incidents, particularly in shipments originating from Portland.

It concluded that the recommendations of its February 2000 report remained highly relevant and that some elements of its recommendations had been successfully implemented. However, it also concluded that neither industry nor AQIS had made the change in the way they operated to a 'through chain' (from paddock to customer) approach that was the base of the IRG 2000's recommendations.

The IRG believed that it was critical to the improvement of the performance in the trade for industry and AQIS to adopt risk assessment approaches along the entire export chain, covering sourcing of livestock, preparation, on-board management, assessment of climatic conditions, market and trade dynamics. It also recommended that work be done on:

- a contemporary, outcomes-focused program and regulatory framework;
- a review of LEAP to re-orient it to an outcomes approach;
- implementation of a comprehensive and ongoing research and development program;
- development of a joint industry government emergency management plan; and
- overall coordination and leadership to be driven by the Department of Agriculture, Fisheries and Forestry rather than AQIS as the regulator or the industry itself.

It sought the immediate development of an action plan, jointly by industry and government, including implementation of risk assessment for the trade as a whole and individual voyages, an improved approach to investigation of incidents and better risk communication to improve transparency.

The full set of the IRG 2002 recommendations is at Appendix 8.

A working group was formed comprising officers of DAFF, AQIS, AMSA, ALEC, Livecorp and MLA to develop the action plan – the Action Plan for the Live Export Industry (APLEI). Subsequently, an industry consultative committee (the Live Exports Industry Consultative Committee – LEICC) with representation from AQIS, the Sheepmeat Council, the Cattle Council, Livecorp, the Australian Veterinary Association, the ALEC, MLA, AMSA, NCCAW and the Quarantine and Exports Advisory Council, was formed to coordinate implementation of APLEI.

LEICC agreed that the initial focus would be on six projects: development of a risk analysis methodology in preparing export consignments; criteria for registering export premises; a review of the 'third party' veterinarian program; development of measures for incident and emergency management; a review of AQIS's own resources for managing its responsibilities; and a review of the general administrative and legislative framework underpinning the live export program.

The principles underpinning the development of the APLEI projects included the application of risk analysis methodology; clarification of roles and responsibilities of both industry and government; the reliance on science; outcomes-based; and a continuous

improvement philosophy. The plan accepted the importance of a partnership approach between industry and government. It recognised that exporter-managed quality assurance systems were the basis for continuous improvement and that many of the actions necessary to deliver improved outcomes to the industry had to be delivered through targeted research and development.

The major achievement of APLEI was the implementation of the 'heat stress' model, underpinned by AMLI Orders, that required exporters in southern Australia during the winter months to submit 'consignment management plans' to AQIS for approval prior to export. These plan incorporated risk management measures for factors identified by industry research that were known to cause heat stress and salmonellosis during voyages. Exporters were required to utilise a computer-generated 'heat stress assessment model' to determine loading densities of livestock. Adoption of this model, and integration of it into consignment management plans, allowed the removal of the ban that had been placed by means of an AMLI Order on exports to the Middle East during the southern winter months.

Other APLEI projects progressed more slowly. LEICC was progressing work on proposals for redeveloping the legislative and administrative framework for the livestock export industry at the time the *Cormo Express* incident occurred.

### **13 MV *Cormo Express* V93**

The consignment on the MV *Cormo Express* Voyage No 93 departed Fremantle, Western Australia, on 5 August 2003 loaded with 57,937 sheep destined for Saudi Arabia. A Saudi principal owned the shipment and chartered the vessel from the Dutch owners. The ship sailed under the Philippines flag.

By the time it arrived at Jeddah on 21 August 2003 there had been a total of 544 (0.94%) sheep mortalities. According to the veterinary officer on board no major health problems had affected the sheep during the voyage and the overall mortality rate was relatively low (less than 1%). He reported the main causes of deaths were inanition (failure to eat) and salmonellosis/enteritis as determined by the daily post mortem examinations conducted throughout the voyage.

Notwithstanding this, a veterinarian from the Saudi Arabian Ministry of Agriculture rejected the shipment on the grounds that 6% of the sheep were infected with 'scabby mouth' (contagious pustular dermatitis), which was above the 5% normal acceptance level for the trade to Saudi. The Australian veterinarian on board the vessel estimated the incidence of scabby mouth to be 0.35%. Subsequently, the overall health of the sheep was confirmed by the OIE Regional Co-ordinator in the Middle-East.

The vessel departed Jeddah on 21 August 2003. Subsequent negotiations by industry representatives and Australian Government representatives with a large number of countries failed to gain acceptance of the consignment, either in Saudi Arabia or any other country in the region.

Ultimately, after negotiations between the Australian and Eritrean governments, the sheep on the *Cormo Express* were accepted by Eritrea and unloading began in Massawa on 24 October 2003. At the time it reached Eritrea, the sheep had been on the vessel for 80 days and there had been a total of 5,691 (9.82%) deaths.

The fact that mortalities were kept to this level, and that the animals were discharged in Eritrea in good condition, is directly attributable to the competency and professionalism of the crew, stockmen and Australian veterinarian on board, as well as the design of the particular ship. Another ship and other personnel could have resulted in a much worse outcome. Indeed, this outcome is justification for ensuring that veterinarians are on board for all long haul export voyages and that stockmen are able to access a formal industry-based training program.

Trade in livestock to Saudi Arabia was suspended on 28 August 2003 pending the negotiation of a formal agreement between the Australian and Saudi Governments to ensure that the trade would be managed on a more predictable and transparent basis, and to ensure the safe entry of livestock to Saudi Arabia.

The consignment for the *Cormo Express* was prepared under the SLEP standards and had a management consignment plan as required. An initial review by AQIS of the documentation provided to it for the consignment indicated that all health and welfare requirements of the *Export Control Act 1982* and SLEP were met. However later reports indicated that a number of animals had been loaded that did not meet the SLEP requirements (e.g. regarding ages and identification), although there is no evidence that these animals were unduly represented in mortalities.

An AMSA report found that there was no indication that any non-compliance with Marine Order Part 43 during the voyage in question contributed to the high mortality.

A number of submissions to the Review speculated both as to the reasons for the high mortality rate on the *Cormo Express*, and the reasons for the rejection of the sheep at Jeddah. It was generally accepted that the unexpectedly long duration of the voyage was the critical factor in the high mortalities at the end of the voyage.

However, there was much more divergence of opinion and speculation in the submissions on the reasons for the rejection of the shipment at Jeddah. In the absence at the date of writing of a response from the Saudi Arabian authorities to an invitation from the Review to provide advice on this issue, there was insufficient substantiation of any opinion to lead the Review to any firm conclusion on the reasons for the rejection.

The incident did, however, raise the issue of the need for contingency planning, recognising that the trade is conducted in such a high-risk environment. Many submissions addressed these concerns and proposed measures to ensure there would always be practicable fallback options available.

These included pre-export clearance of shipments such as already occurs with dairy cattle to China and feeder cattle to Korea which are discharged into a quarantine facility; consideration of the issues involved with the return of livestock to Australia; slaughter at sea; and the establishment of a quarantine feedlot in the region where the animals could be discharged quickly.

Evidence was presented to the Review that mortality levels in livestock quickly increase due to heat stress once ships have docked in the ports of the Middle East. This suggests that a contingency arrangement whereby the animals can be moved as quickly as possible to a quarantine holding facility, for further assessment and determination, would be a

preferred option. Once there, the animals could be tested, and re-tested if necessary, in relation to the animal health concerns of the importing country. If a disease concern were proved beyond doubt, the quick slaughter of the animals could proceed under quarantine. An arrangement of this type could arguably be required for all countries to which Australia seeks to export livestock.

While this was considered by far the most preferred option, it is to be expected that an importing country would accept into quarantine facility only animals where the disease of concern is one endemic to Australia. Should the disease concern be about an exotic disease, permission to discharge might be unlikely.

In this event, return of the animals to Australia or slaughter at sea must be considered.

Second only to the *Cormo Express* incident itself was the degree of controversy surrounding proposals for the return of the sheep to Australia. The Review heard many arguments why the return to Australia of livestock rejected by an importing country cannot be countenanced. These arguments relate to the level of risk, real or otherwise, to Australia's domestic livestock industries.

Historically, decisions about quarantine matters in Australia have rightfully been based on the best science available at the time. The Review was not presented with any compelling reason for this established practice to be abandoned for the livestock export trade. This should not mean that livestock could never be returned to Australia. Rather, it means that a decision to return livestock after they have left an Australian port must be based on accepted risk evaluation methodology.

Ships that do not come within potential range of foreign pathogens, insect and plant pests, before a difficulty arises, are not without some quarantine risk. Despite best sanitary procedures, it is possible, though unlikely, for foreign pathogens, insect and plant pests to survive on a ship from one voyage to the next. The practice of multiple port loading in Australia could mean that returned livestock include animals originating from elsewhere in Australia and not normally permitted into a jurisdiction because of a domestic animal health concern. The question of how far a ship of this kind may travel before a return to Australia is ruled out, is again a decision to be based on sound risk evaluation methodology.

Similarly 'slaughter at sea' was put to the Review as a contingency arrangement that is technically possible (albeit difficult), expensive and wasteful. However the Review was also advised that there are questions about Australia's treaty and international law obligations with this option. Therefore if this option were ever to be pursued, it could only be in the extreme and very unlikely circumstances such as the outbreak of an exotic disease onboard a ship that would pose an unacceptable animal health risk to an importing country, Australia or any third country.



## Section Three - Conclusions and Recommendations

### 1 Perceptions and concerns about the livestock export industry

The Review received 248 submissions expressing a wide range of views on the livestock export industry. Almost without exception, concern for the welfare of the animals was central to the comments made.

Many of the submissions expressed the view that the trade should be banned entirely because the welfare of animals cannot be assured. Others believed the trade should continue but only if the welfare of animals in the trade can be assured. Still others supported the continuation of the trade because of its importance to Australian agriculture, but with some changes to ensure that acceptable animal welfare standards are achieved.

This concern with the welfare of animals in the trade is not surprising. The recent extensive publicity surrounding the *Cormo Express* incident clearly illustrated the extent of interest in the Australian and world community about this issue. While the real cause for the rejection by Saudi Arabia of the animals on the *Cormo Express* still remains unclear, and much of the reporting of the incident in the media, both in Australia and overseas, was sensationalist and in some cases inaccurate, interest in the incident reflected not just concern for the animals in that shipment but also community concern at the number of other incidents in the trade during the past few years in which the health and welfare of animals was compromised.

That interest is being driven by organisations that actively campaign against the use of animals in any human pursuit, as well as by those who advocate the responsible and regulated humane use of animals by people. These views are increasingly reflected in the concerns of international organisations, such as the World Trade Organisation and the World Organisation for Animal Health (OIE), that are responsible for setting the conditions for world trade and whose standards the Australian Government and industry are expected to meet.

The publicity given to these incidents has extended beyond the treatment and welfare of the animals on ships and called into question the adequacy of all the systems and processes within the Australian livestock export industry. There is now a widespread view that the regulatory and administrative systems in the livestock export trade are not effective in guaranteeing acceptable outcomes on a regular basis; and that genuine efforts to address problems will always be undermined by legislation that is too complex to administer effectively, administrative processes that are ineffective in identifying risks and penalty regimes that are inadequate.

Claims were made in a number of submissions that these negative perceptions of the livestock export trade have been extended to other sectors of Australia's animal and meat industries. And there are indications that these perceptions may also be having a negative impact on Australia's international reputation and credibility in international trade discussions. While no attempt has been made to quantify these consequences in this Review, they must not be ignored.

What is clear is the view reflected strongly in many submissions: that the way the livestock export trade is conducted at present does not adequately look after the welfare of animals.

The Review accepted that industry has attempted to address problems that have arisen in the trade.

Indeed, over a number of years the application of industry research has significantly improved outcomes in many voyages that would be considered as high risk. Most recently it has worked with government through the Livestock Export Consultative Committee (LEICC) to implement the Action Plan for the Livestock Export Industry. However, the Review believes that industry's approach has been, in the main, reactive and based on incremental improvements to the current arrangements rather than rigorously analysing the underlying cause of the problems and seeking to address them.

This Review believes the livestock export trade can only continue if governments at both national and state level, as well as members of the industry, understand and accept that community concerns about animal welfare in the trade are legitimate and will continue to grow unless they are acknowledged and addressed. Only a substantial improvement in outcomes achieved within a reasonably short time frame will be acceptable.

Submissions to the Review provided a wide range of suggestions and recommendations on what could and should be done to address deficiencies in the current arrangements. The Review considered all of these.

A common theme in many submissions was that the Australian Government should set clear and firm limits for the way in which the industry operates and not accept that the industry alone will do this in its own interests. Public trust that the livestock export trade is operating in a way that meets community concerns about animal welfare will be restored more quickly if governments are seen to be taking the lead. At the same time the view was strongly put that the industry must also take responsibility for developing its capabilities and ensuring its commercial activities consistently meet best practice standards.

Based on its understanding of these issues, the Review identified five principles on which to base its conclusions and recommendations:

1. The welfare of the animals in the livestock export trade is a primary consideration in all areas of the industry:
  - all stages of the livestock export chain, from farm to discharge into the market, must be able to demonstrate that the welfare of the animals has been addressed in its operation.
2. The Australian Government is responsible for protecting the broader interests of the Australian community in the export process by setting clear standards for the export of livestock, administering them firmly and consistently, and for ensuring governance and reporting arrangements in relation to animal welfare during export are transparent:
  - Australian livestock export consignments must reliably meet international criteria, importing country requirements and Australian animal health and welfare standards.
3. The Australian livestock industry is responsible for development of the livestock export industry by establishing and managing systems that support the adoption of best practice animal husbandry and commercial practices along the export chain:
  - the industry must continue to build its capability so that all participants in the industry are competent and demonstrably operating according to best practice standards and translating that to outcomes consistent with best practice.

4. The livestock export industry is part of the wider Australian meat and livestock industry and the way it operates has implications for the industry as a whole:
  - governance standards and structural arrangements applying to the wider industry must apply to the livestock export industry unless there are clear and objective reasons for varying them.
5. The livestock export industry is uniquely and inherently risky because it deals with sentient animals along an extended production chain, from farm to discharge into the market:
  - the preparation of an export consignment must recognise the risks at each stage of the chain and an exporter must be able to demonstrate that appropriate systems are in place to ensure the risks have been met in accordance with government regulatory requirements and industry quality assurance systems.

## **2 The adequacy of the regulatory and administrative framework for the livestock export industry**

The Review considers that the current legislative and administrative framework for the operation of the livestock export industry is inadequate in that it does not set sufficiently clear and enforceable standards for such a high-risk trade. The reasons for this are clear.

State and Territory legislation specifying mandatory animal welfare requirements is not uniform and even where there are similar provisions, they are not applied uniformly across the States and Territories.

The nationally agreed standards for acceptable animal welfare in the Australian livestock export industries, set out in the eight relevant Model Codes of Practice for the Welfare of Animals, are not sufficiently comprehensive to cover all activities along the livestock export chain. Some are out of date and they are inconsistently applied in practice between different States, especially when animals are transported across more than one State and Territory. While the States and Territories have undertaken to remedy these problems, this will take time.

Because of the inadequacies in the Codes and because it recognised the need for national standards, Livecorp led the development of the Australian Livestock Export Standards (ALES) which were incorporated into the industry's Livestock Export Accreditation Program (LEAP). These have become the de facto 'national' standards for the livestock export industry.

However, ALES are not comprehensive and Livecorp's reliance on voluntary levies from industry participants inhibits the speed with which changes can be implemented.

Moreover, the connection between ALES and LEAP and the two primary pieces of Commonwealth legislation applying to the industry, the *Australian Meat and Live-stock Industry Act 1987* (the AMLI Act) and the *Export Control Act 1982* (ECA), is tenuous: 'third party' veterinarians, who are play a critical role in preparing animals for export and ensuring standards are met, are not referenced in the legislation; and breaches of the standards do not necessarily attract any sanction unless Livecorp withdraws accreditation from an exporter. The Review has heard that this rarely occurs.

In this environment AQIS, as the regulator, has had difficulty achieving effective control and coordination; and audit arrangements are inadequate and not sufficiently transparent.

## **3 National standards: welfare codes of practice, their adoption and enforcement**

The Review concluded that a set of enforceable national standards is needed to address known risks at each stage of the livestock export chain, starting with basic animal husbandry practices on farms of origin right through to arrangements for discharge of the animals in the importing country.

The Review considered a number of ways in which this could be achieved.

The Review accepts the commitment of National, State and Territory governments to put additional resources into reviewing and updating all the Model Codes for the Welfare of Animals. However, it recognised that there will always be difficulties in ensuring that the Codes are uniformly applied in legislation in the various jurisdictions, that they cover the full range of activities involved in export and that administrative systems are in place to enforce them.

This does not mean that there is no longer a need for the Model Codes, despite the advent of ALES and LEAP and other industry quality assurance programs. But clearly there is a need for uniform national standards focusing on animal welfare that are unambiguous and enforceable and that recognise the outcomes sought in the export of livestock.

These national standards should incorporate national systems for livestock identification. Systems such as the National Livestock Identification System and the National Vendor Declarations for sheep should be an integral part of a national system of standards for livestock exports. In this way the livestock export industry would have systems equivalent to the red meat export industry and, where necessary, animals could be traced for health reasons and to determine their origin.

In view of the strong concerns expressed about the current arrangements, the Review concluded that it is not appropriate for the industry to continue to be responsible for setting and managing a complex set of national standards.

At the same time it recognised the need to ensure that the process for developing standards and referencing them in export legislation does not introduce into the industry a degree of inflexibility and unresponsiveness at a time when community expectations are changing and knowledge is growing about the best approaches to managing risks.

The Review believes the process for amending the Codes, which includes representation from a wide range of interest groups, is very good and could be used as a model for the development of a single national standard for livestock exports, which incorporates the Codes as they are updated. It will be important to ensure the process provides for representation from all sectors of the livestock export industry to ensure the standards are practicable. Given the amount of work already done, the Review considers that this task could be completed relatively quickly.

Finally, in view of the close international and community scrutiny being given to whether and how Australia guarantees animal welfare standards are met in livestock exports, the Review was firmly of the view that the standards must be underpinned by the AMLI Act and the *Export Control Act 1982*.

#### **Recommendation 1**

There must be a national standard for livestock exports, the “Australian Code for Export of Livestock”, which focuses on the health and welfare of the animals during export and which is consistent with the Model Codes as they are updated:

- States and Territories should be consulted in the development of the standard and the views of industry and animal welfare groups should be taken into account;
- the standard must recognise the outcomes sought in the export of livestock and take into account the whole process for sourcing, preparing, assembling and transporting animals for export;
- the standard must be directly referenced in the *Australian Meat and Live-stock Industry Act 1997* and the *Export Control Act 1982*; and
- an interim national standard must be in place by 1 May 2004 and finalised by 31 December 2004.

## **4 Legislation: separating regulation and quality assurance**

The Review accepted the views put by a large number of submissions that the current arrangements established under the *Australian Meat and Live-stock Industry Act 1987* (AMLI Act) and the *Export Control Act 1982* for regulating livestock exports have contributed significantly to the difficulties experienced in this industry.

Particular issues that were identified by a number of submissions were:

- the ineffectiveness of industry ‘self-regulation’ and enforcement of codes of practice and livestock export standards by Livecorp;
- the separation of the legislation for export licensing from export permits;
- the ‘third party’ veterinarian system for the pre-export preparation of livestock; and
- the reporting arrangements for veterinarians and stockmen on board livestock vessels.

### ***4.1 Industry structures and powers***

The Review concluded that the current arrangements effectively put key regulatory functions under the control of an industry body, Livecorp. It does this through the AMLI Act, which gives Livecorp primary responsibility for setting standards for livestock exports and accrediting exporters. Only exporters accredited by Livecorp can be given a licence to export and only licensed exporters can get an export permit under the *Export Control Act 1982*.

Many submissions argued that Livecorp has not exercised its accreditation powers as rigorously as it should and that this has compromised the integrity of the system as a whole. The reasons suggested for this include the relatively small numbers of exporters in the livestock export industry and Livecorp’s reliance on voluntary levies for its operations.

The Review acknowledged the recent work undertaken by the industry to develop revised arrangements for setting and managing livestock export standards but believes these do not go far enough. It considered that this followed on the tendency for the livestock export industry to only address problems incrementally and to seek minimal change.

It concluded that the current regulatory model has not served the industry well and should be replaced with a system that ensures equivalence with the outcomes produced by the meat export regulatory systems.

The Review believed that setting national standards and licensing of livestock exporters who meet them are core regulatory functions for government. Under the AMLI Act industry’s role in management of the industry should be changed from an accreditation role, underpinned by regulation, to a quality assurance role by reference to the proposed new ‘Australian Code for Export of Livestock’. The emphasis should be on the development and management of quality assurance systems to assist members to understand and reach best practice standards in their operations. This will require the industry to continue its strong investment in research and development to underpin its quality assurance activities. These activities, both research and development and quality assurance are particularly important in the current commercial environment and should be paid for through a system of compulsory levies, as is the case in most other areas of the red meat industry.

## **Recommendation 2**

Government must be solely responsible in the relevant legislation for granting export licences and permits and enforcing compliance by exporters against the national standard:

- the Government may take into account the views of an industry group on whether a particular exporter has met industry quality assurance standards but must not be constrained by those views in making its decision.

Industry should be responsible for research and development and management of quality assurance systems to support its members translate best practice standards into outcomes consistent with best practice:

- its activities should be funded by compulsory levies.

### ***4.2 Criteria for export licences and permits***

A number of submissions put the view that all export licensing and permit requirements should be located within one Act to make it easier for the regulator, AQIS, to assure itself that the exporter had demonstrated compliance with both the agreed process for selection, preparation and management of animals for export as well as the specified animal health and welfare requirements of Australia and the importing country. The Review did not finally determine whether this was necessary or desirable, recognising that there may be implications for other parts of the red meat industry.

However, the Review agreed that, in addition to other criteria addressing the health and welfare of the animals, the criteria for approval of export licences and export permits should be more closely linked in the legislation and directly administered by AQIS.

The Review also believed that the criteria for export licences and permits should be amended to include:

- an assessment of the export history of the exporter as well as any related commercial entities; and
- a requirement for an exporter to attest that the standards have been met before being issued an export permit. This should be by way of a statement from the exporter at the time the animals are presented for inspection and certification. The claims should be confirmed by a rigorous regime of audits to verify that the standards have been met, with appropriate sanction if it is found that they have not.

The Review accepted the need to ensure that any conditions, restrictions or sanctions attached to an exporter's license apply equally to the export licence of any related parties, that is, other livestock export companies or organisations in which the directors or senior executives are involved. This would strengthen the impact of the sanctions by preventing an exporter utilising alternative companies in which they have an interest to avoid the consequences of the regulatory sanctions.

The Review also believed that consistent with good governance processes, investigations of a breach of an export standard ought to be by a unit within DAFF independent from those in AQIS administering the legislation, and it should report to the Secretary.

### **Recommendation 3**

The criteria for approval of export licences and export permits should be more closely linked in the legislation and include:

- an assessment of the export history of the exporter as well as their related entities;
- for the grant of an export licence, an exporter must be required to demonstrate that they have systems in place to meet the national standard for livestock export; and
- for the grant of an export permit, an exporter must be required to attest that the national standard has been met.

### **4.3 AQIS and ‘third party’ veterinarians**

The current role of ‘third party’ veterinarians attracted particular criticism in many submissions. These arrangements, which enable exporters to engage the services of private ‘third party’ veterinarians, accredited by AQIS, to undertake and supervise prescribed treatments and procedures in the preparation of animals for export, and present documentary evidence of compliance to the AQIS certifying veterinarian, was widely seen as flawed.

The Review accepted that most third party veterinarians operate properly and in accordance with their professional responsibilities. However, the lack of a legislative underpinning for the arrangement, and consequent lack of transparency in the process for appointing and supervising the work of the veterinarians, places them in a difficult situation. On the one hand, they are responsible to their employer and are required to perform as directed; on the other hand, they are responsible for performing regulatory functions but not given regulatory protection, nor are they subject to regulatory sanctions.

The Review considered whether these problems could be addressed by simple amendment to the legislation to clarify the role and responsibilities of the veterinarians and provide appropriate sanctions, including referral to the relevant state veterinary board for disciplinary action.

The Review concluded that the role of these ‘third party’ veterinarians is so critical to the integrity of the entire livestock export process that they should be contracted by AQIS and report directly to it, although exporters should continue to be responsible for the full cost associated with them. In addition ‘third party’ veterinarians must maintain registration with a state veterinary board, as well as being accredited by AQIS.

Given these responsibilities the Review believed that it is also important for AQIS veterinarians responsible for directly supervising livestock exports and issuing export permits to be registered with a state veterinary board.



#### **Recommendation 4**

‘Third party’ veterinarians responsible for the treatment and preparation of animals for export must be directly contracted and accountable to AQIS in the performance of their duties:

- they must be registered with a state veterinary board;
- their responsibilities must be referenced in export legislation with suitable penalties for any breach;
- livestock exporters should be allocated a ‘third party’ veterinarian by AQIS at the time they advise AQIS that they intend to export; and
- livestock exporters should pay all costs associated with the services of these veterinarians.

#### **4.4 Veterinarians and stockmen on board livestock vessels**

The *Cormo Express* incident highlighted the value of sound animal husbandry and veterinary attention during the course of a difficult voyage. However, the Review concluded that the responsibilities of stockmen and veterinarians on export vessels should be clearly distinguished.

The Review believes that suitably qualified stockmen, employed by the exporter, should be on all live export ships. The primary role of the stockmen should be the care of the animals during the journey. It is in the interests of the exporter and owner of the animals to ensure that such care is available.

The Review commends Livecorp for its development of systems to accredit stockman for this purpose and encourages further development of this approach, as it is consistent with the Review’s recommendations for industry’s quality assurance role.

The Review also noted that consignments prepared under the industry quality assurance program, the Saudi Livestock Export Program (SLEP), were required to have a veterinarian on board. The responsibility of these veterinarians is focused on providing accurate and reliable reports on the condition of the livestock and mortality levels during the export journey.

However, a number of submissions raised concerns about the accuracy of these reports based on similar concerns to those regarding ‘third party’ veterinarians, that is, where the veterinarian is employed by the exporter, there is a potential for them to be subjected to pressure to report outcomes that meet the requirements of the exporter. Because their reports are forwarded directly to the exporter and Livecorp, there is no independent scrutiny of the information.

The Review concluded that, given the risks to animal welfare attendant on long haul journeys through different seasonal conditions, it is desirable to have a veterinarian on board the ship to ensure transparency and accuracy in the reporting of morbidity and mortality in the animals. Therefore the Review believes that a registered and suitably qualified and accredited veterinarian who has completed an AQIS training course should be on all livestock export journeys over ten days and on up to 10% of other AQIS selected voyages of less than 10 days.

The veterinarians should be specifically required in legislation to report directly to AQIS on the condition of all animals loaded as well as on any other matter relating to the welfare of the animals specified in the conditions on the export permit. This could include any matters that relate to

animal health and welfare and may include such things as age, weight, wool length, as well as trials and data collection for on-going ventilation and heat stress modelling and identification of ship design features such as heat pockets and poor circulation that might compromise the health and welfare of the animals. These reports should be made available to industry so that it can consider the outcomes of voyages in the context of developing and implementing its quality assurance systems.

It would be desirable for these reports to be available by means of an electronic data capture and management system as it could then be more easily entered into a database to enable epidemiological analyses to provide objective assessments of the performance of the livestock export trade.

The veterinarian's report on the condition of livestock at point of disembarkation should be a matter to be taken into consideration in the decision to issue an export permit for a subsequent consignment.

For those voyages that do not require a veterinarian on board, the stockmen on board should be required to complete a report to AQIS and industry on the health and condition of the sheep during the voyage, and on disembarkation.

#### **Recommendation 5**

A registered and suitably qualified and trained veterinarian should be on board all livestock export ships where the journey would take over 10 days:

- AQIS should randomly nominate at least 10% of other livestock export voyages and a veterinarian should be on those voyages;
- the veterinarian should be required to report directly to AQIS on specified matters including any animal mortalities or morbidity, and any environmental conditions on the ship that might impact on the health and welfare of the animals, including any malfunction of feeding, watering or ventilation systems;
- copies of the veterinarian's report should be made available to industry to enable it to enhance its quality assurance programs; and
- livestock exporters should pay all costs associated with the services of these veterinarians.

Industry should continue to develop its Shipboard Program for stockmen to ensure appropriate knowledge and skills are available on board vessels during a voyage.

## **5 Suitability of livestock for export**

The Review believes there is a need for continuing research and development into the risks associated with the export of different types of animals and the necessary preparation and handling regimes to ensure acceptable animal welfare outcomes. The Review commended the work undertaken by MLA and Livecorp and by a number of State authorities in this area.

This work has led to outcomes such as the current limitations on Bos taurus cattle shipped from southern ports, as well as the limitations on heavy and pregnant cattle. These restrictions should remain until such time as further research identifies arrangements under which they can safely be exported.

More recent work has identified that feral goats should not be exported on long haul voyages and should be phased out of short-haul voyages by January 2005. Goat does should not be exported under any conditions because of significant problems with spontaneous abortions.

However, the evidence put to the Review indicates that there is no reason to discriminate against ewes in determining which animals are suitable for export provided they are certified as not being pregnant.

Further, the Review concluded that giving AQIS the full regulatory responsibility for ensuring animals being exported meet the requirements of the national standard and importing country specifications, would go a long way to addressing any concerns about the suitability of different types of livestock.

These specific concerns aside, the Review accepted that there is evidence that combinations of factors associated with livestock type, port of embarkation, season and destination combine to make for much higher risks of adverse events than when those factors are not present.

For example, in recent years, Portland has had higher mortality rates for sheep than other southern ports. Until 2003 there have been higher mortality rates over winter for consignments destined for the Middle East. At other times of year there may be other factors related to metabolism, weather, long distances from farm to port and inadequate yards that account for higher mortality rates.

Although the Review accepted that the new 'heat stress model' had introduced a helpful risk management tool into the process for managing the health and welfare of animals being exported, it remained concerned that the tool itself introduced a reasonable degree of risk under certain defined circumstances. Information of this type would lead reasonably to the proposition there should be a prohibition on exports of sheep from areas such as Portland and Adelaide during periods of the year that the risks are greatest, principally May-October inclusive.

Comparative information for cattle suggests that a prohibition on exports of *Bos taurus* cattle from southern ports should be in place from May-October inclusive. Almost all cattle mortalities are caused by heat stress, which is found not to be a problem with *Bos indicus* cattle exported from northern Australian ports.

The Review concluded that there must be recognition that the livestock export industry cannot afford more bad outcomes and therefore all higher risk voyages should be eliminated. In those circumstances where there is clear evidence of a risk that demonstrably contributes to adverse outcomes on a predictable basis, exports should not be permitted.

## Recommendation 6

There must be a continuation of the current industry investment in rigorous research and development programs on the suitability of different types of livestock for export:

- in the meantime exports should be banned in circumstances where the available evidence indicates that the risks of adverse outcomes are predictably high;
- this would mean the closure of ports such as Portland and Adelaide during those periods of the year when the risks are greatest.

## 6 The *Cormo Express* incident

### 6.1 Factors contributing to the excess mortalities on the *Cormo Express*

A number of submissions to this Review proffered explanations on the reasons for the rejection of the *Cormo Express* by Saudi Arabian authorities. Review of the documentation relating to the consignment indicates that the Saudi Arabian claims of significant levels of disease among the sheep had little substance. However, in the absence of any information from the Saudi Arabian authorities, it is unlikely that more light will be shed on the matter. There was evidence that the consignment did not otherwise comply with the requirements of the SLEP program, but this did not appear to the Review to play a part in the rejection.

It is clear from the investigation into the 2001 voyage of the *Al Khaleej* as well as from the April 2003 voyage of the *Cormo Express* (voyage 89), that under-reporting of mortalities on livestock export ships to importing country authorities appears to have been accepted as reasonable practice by some members of the industry. It is not clear what part, if any, this played in the *Cormo Express* incident. There has been no suggestion that the mortalities on Voyage 93 were under-reported, and there is no evidence of this.

The Review concluded that the industry's procedures for enforcing SLEP requirements have not been effective. Further, it is unlikely that this would change given the small number of exporter's involved in this part of the trade, some of whom also hold senior positions in Livecorp itself. The Review believes that these matters should be addressed through its recommendations to take regulatory functions away from Livecorp and to have veterinarians on ships directly responsible to AQIS.

There have also been suggestions that the handling of the *Cormo Express* incident after the rejection by Saudi Arabia caused the incident to be more protracted and difficult than it might otherwise have been. The Review did not come to any conclusion on these particular issues.

The Review accepts that the *Cormo Express* incident was a very serious matter that had the potential to cause significant damage to Australian trade interests because of the adverse animal welfare results and the perception caused by the rejection that these Australian sheep were diseased. It noted, however, that the excessive mortalities on the ship were exclusively due to the extended voyage.

For these reasons, the Review strongly believes that trade to the Middle East should continue only on the basis of government-to-government agreements with each country setting out the terms on which the trade will be conducted. The Review accepts in full the views of the Department of

Foreign Affairs and Trade on the specific matters that must be addressed in a written government-to-government agreement before trade with Saudi Arabia is resumed.

## ***6.2 Risk mitigation and contingency planning***

More generally, the Review concluded that the *Cormo Express* incident and the more recent events at Portland, graphically highlight the need for better analysis of the inherent risks in livestock exports and the need for more specific measures to prevent the particular risks arising, and to effectively manage them if they do.

The Review noted that risks in this industry may arise from a number of areas not only from poor practice by the industry or changes in international trading conditions but also from changes in Australia's own quarantine and disease status. With about 300,000 sheep and 10,000 cattle on the water at any time, these risks are significant.

These realities have influenced the Review to recommend a risk averse approach to contingency planning.

The Review believed that the best approach to contingency planning is to identify and manage the risks in the first place. This means the risks along the livestock export chain must be better understood if effective systems are to be put in place to manage them.

Continuing research is necessary into those issues that are known to contribute to adverse outcomes, such as shy feeders; as well as into the development of systems that provide significant gains for relatively modest outlays, such as unloading platforms for improving the speed of unloading.

Similarly, facilities where animals are held prior to export should be accredited to the same standard as those where animals destined for the red meat export trade are held.

Contingency planning should involve a series of contingency arrangements, which when aggregated amount to a safe position. AUSVETPLAN, for handling exotic animal disease emergencies, is a well-developed and tested model that could be adopted for handling livestock export emergencies.

The Review noted significant consensus in the submissions in the light of the *Cormo Express* incident on the type of 'contingency' arrangements that should be put in place should a consignment be rejected. These largely focused on implementing pre-embarkation inspections in Australia, seeking assurances in 'government-to-government' agreements with importing countries that shipments will be discharged, and securing alternative discharge arrangements within the region.

The Review agrees with these views. It believes that arrangements for pre-clearance or pre-embarkation inspections have been proven to work well in a number of risky markets because it ensures the importing country has a commitment to the animals. However successful implementation of this approach will require commitment from the importing country to send appropriately qualified veterinarians, as well as from Australian authorities such as the Department of Immigration and Indigenous Affairs who would be responsible for issuing visas to pre-clearance officers within specified time-frames.

Such matters should be addressed in the context of the government-to-government agreements that should underpin assurances that, except in extreme circumstances verifiable by an independent authority, a shipment would be discharged.

Similarly, negotiations for these agreements should provide the basis for the development of a quarantine facility in the Middle-East region in the event that a shipment is refused discharge. The intention would be to move the animals as quickly as possible to the quarantine facility if the animals are not unloaded within 48 hours of the ship berthing. The Review believes that landing of the animals in a suitably quarantined environment is the only realistic contingency option to ensure the welfare of the animals is taken care of while testing and analysis of the consignment is undertaken for final determination, including quick destruction if rejection is final.

While the Review believes that government involvement is necessary to secure the agreement of a country in the region to establishing a quarantine facility for this purpose, it considers that any costs associated with its ongoing maintenance, including the additional assistance that may be required to build a 'disease-free' area around the quarantine zone, ought to be the responsibility of industry.

The Review concluded that these measures must be quickly put in place for the Middle East market. If they are not available to the trade within 12 months, the Review believes the trade to the Middle East should be reviewed until such arrangements are secured.

The Review also believes that such arrangements should be considered for other markets as soon as possible and eventually cover all destinations for Australian livestock exports.

#### **Recommendation 7**

Government and industry must work cooperatively to secure the agreement of a country in the Middle East region to establish an operational quarantine holding facility by the end of December 2004:

- if such a facility is not available by that time, the livestock trade to the region should be reviewed;
- if animals exported from Australia are not unloaded within 48 hours of the ship berthing, they must be moved as quickly as possible to the quarantine facility; and
- the quarantine facility must allow for testing and analysis of animals in the shipment for final determination, access to a robust and transparent dispute resolution mechanism, and quick destruction of the animals if necessary.

The livestock export trade with Saudi Arabia must not resume until there are robust written conditions determined between the governments of Australia and Saudi Arabia which ensure that:

- Saudi Arabia or the Gulf Cooperation Council is involved at an early stage, possibly pre-embarkation, in approving the health status of the animals;
- testing and analysis of the animals in the shipment at the time of first arrival is transparent and reliable; and
- the animals can be moved to the quarantine holding facility for further determination.

## 7 Emergency response

Even with the best of contingency arrangements in place, the Review concluded that it would be unwise not to plan for an emergency, including an emergency arising from a failure of the contingency arrangements. As the *Cormo Express* incident demonstrated, managing an emergency once realised is a difficult enough task.

For this reason the Review supported a previous call by the IRG 2000 for an emergency response system developed along the lines of AUSVETPLAN. Such a system would feature:

- pre-determined triggers for activation of the plan;
- government leadership with close industry involvement;
- prior identification of decision makers with agreed roles and responsibilities;
- capacity for rapid assessment and response;
- involvement of all relevant stakeholders, reflecting their relative responsibilities;
- clear mechanisms for communication, including with the community; and
- review and assessment following the activation of the plan.

### **Recommendation 8**

A national response system should be established to plan and manage any future livestock export emergency, possibly modelled on AUSVETPLAN.

## Section Four - Appendices

### Appendix 1

#### Review Membership

##### Chairman

**Dr John Keniry**, chairman of Ridley Corporation; former President of the Australian Chamber of Commerce and Industry and former chairman of the Australian Pesticides and Veterinary Medicines Authority. Member of the NSW Environment Protection Authority

##### Members

**Mr W. Murray Rogers** AM, Chairman of the Quarantine and Exports Advisory Council

**Professor Ivan Caple**, Professor of Veterinary Medicine and Dean of the Faculty of Veterinary Science at Melbourne University. Chairman of the National Advisory Committee on Animal Welfare

**Dr Michael Bond**, Assistant Veterinary Director of the Australian Veterinary Association. Former Director of Animal Health in the Western Australian Department of Agriculture and former chairman of the Veterinary Surgeons Board of Western Australia

**Mr Lachlan Gosse**, sheep and cattle producer

##### Review Secretariat\*

**Dr Christopher Branson**, Review Secretary

**Mr Michael Body**

**Ms Beth Winterton**

\*Additional secretariat services were provided to the Review by Secretariat Australia Pty Ltd



## Appendix 2

### Submission Details

#### List of submissions by category

No.	Submissions listed by Category	State/Country
	<b>Business</b>	
51	Southern Meats Pty Ltd	NSW
27	Mr Justin Toohey	ACT
	<b>Corporation (livestock exporter)</b>	
118	Tatiara Meat Company Pty. Ltd	VIC
246	Corral Line	QLD
245	Kuwait Transport and Trading Co. (KLJT)	QLD
244	Livestock Express, Dens Ocean, Vroon Ag	QLD
153	Fletcher International Exports Pty Ltd	NSW
223	Elders	SA
7	Futuris Corporation Limited	SA
11	Western Australian Meat Marketing Co-operative Limited	WA
	<b>Corporation (livestock shipping/air)</b>	
115	Liveship	QLD
161	Livestock Express	BELGIUM
	<b>Corporation (not specified)</b>	
145	Mr Dennis Loxton	CANADA
	<b>Government Agency</b>	
210	Australian Maritime Safety Authority	ACT
247	Western Australian Meat Industry Authority	WA
112	Animal Health Australia	ACT
	<b>Government Department (Australian)</b>	

235	Department of Foreign Affairs and Trade	ACT
<b>Government (state)</b>		
121	Western Australian Department of Agriculture	WA
228	Queensland Department of Primary Industries	QLD
<b>Individual (livestock producer)</b>		
29	Mr Steve Kolb	WA
12	Mrs Gillian Walker	VIC
41	Ms Arlys Baker	QLD
6	Ms Marilyn Mangione	VIC
<b>Individual (not specified)</b>		
194	Ms Barbara Yule	USA
213	Mr Scott van Dort	VIC
212	Ms Wendy Lewthwaite	QLD
195	Mr Michael McCarthy	WA
209	Mr Matthew Leddy	CANADA
208	Ms Sharon Alger	NSW
207	Ms Tanya Carter	VIC
201	Mr Brady Pierzchalski	USA
205	Ms Veda Stram	WA
200	Ms Gabriele Joose-Mangerini	USA
204	Ms Barbara Rendell	WA
196	Ms Cynthia Williams	USA
203	Mr Richard and Linda Donato	QLD
197	Ms Mary Money Penny	USA
202	Ms Barbara Cornett	USA
215	Ms Evelyn Van Til	USA
198	Ms Janet Hoskins	USA
199	Ms Adrienne Happy	USA
206	Mr Ronald Eames	VIC
102	Ms Vicki Lloyd-Smith	VIC
55	Ms Stephenie Owen	USA

54	Ms Angelica Martinez	USA
53	Ms Louise Tunks	NSW
50	Ms Lindy Chaleyer	VIC
1	Ms Lindy Wren	QLD
116	Ms Kelly Rowell	VIC
113	Ms Melissa Deacon	NSW
109	Ms Doreen Penny	SA
108	Ms Pam Ahern	VIC
106	Mr Philip Wollen	VIC
95	Mr Ben Callison	USA
103	Mr Holger Trakell	VIC
216	Mr Jordon Tate	FRANCE
101	Mr Paul Crossley	VIC
99	Ms Trudy Spiniello	WA
98	Ms Nicole Groch	VIC
97	Ms Lea Young	NSW
96	Ms Elizabeth Clegg	QLD
49	Ms Rebecca Rindt	USA
94	Ms Kiren Couser	TAS
219	Ms Barbara Andino	USA
218	Mr Shaun Runkel	WA
217	Ms Sigourney Babcock	NSW
105	Mr Trevor Wilson	VIC
19	Mr Peter May	NSW
40	Ms Lorena Rodriguez	CANADA
154	Mr Kenicha Hatten	VIC
151	Ms Astrid Herlihy	WA
150	Mrs Wendy Parsons	SA
149	Mr Victor Jackson	TAS
148	Mr & Mrs EW & MJ Kempster	SA
147	Mrs Jennifer Ruehland et.al.	SA
146	Ms Rachel Shelton	QLD
24	Ms Nicole van Barneveld	NSW

23	Ms Jolene Cole	NSW
156	Dr C Egan	VIC
21	Ms Jane Darmon	VIC
157	Mrs Grace Barrett	WA
18	Mr Keith Lawson	VIC
17	Mr Scott van Dort	VIC
16	Ms Joanne Rose	VIC
15	Mr and Mrs Edith and Eric Wilson	QLD
14	Mrs Barbara Barker	USA
13	Mr Frankie Seymour	NSW
9	Ms Julie Taylor Mills	VIC
8	Ms Suzanne Cass	TAS
4	Ms Wendy Lewthwaite	QLD
3	Ms Linda Donato	QLD
22	Ms Melissa Smith	ACT
30	Mr Marc Hoffman	USA
46	Ms Jennifer Thomas	USA
45	Mr James Mayotte	USA
44	Ms Staci Harris	USA
43	Ms Stefanie Erwin	USA
42	Mr Markus Hefner	GERMANY
56	Ms Cynthia Long	USA
39	Ms Jan Cummings	NSW
37	Mr William McMullin	USA
35	Ms Muriel White	WA
34	Ms Bard Wheler	USA
155	Ms Winifred Morgan	VIC
31	Mr Christopher Brod	USA
47	Ms Jaylene Farrell	QLD
28	Ms Amanda Gordon	VIC
26	Ms B Kerris	VIC
25	Ms Dorothy Trezise	VIC
167	Ms Amber Berman	USA

166	Ms Corrie Lenon	USA
165	Ms Erica Stepanic	USA
164	Mr Daniel Bravo	USA
163	Ms June Ryan	VIC
162	Ms Halina Thompson	NSW
160	Mr Phil Hunt	NSW
33	Ms Lyndall Jennings	ACT
142	Ms Marjorie Hass	USA
179	Ms Lesa Ibarra	CANADA
178	Ms Dede Reade	USA
177	Ms Kelli Kiser	USA
176	Mr Douglas Shohan	USA
175	MS Shaindel Beers-Finley	USA
174	Ms Catherine McIntosh et.al.	NSW
173	Mr Jon de Fries	NSW
172	Mr Roarie Borg	USA
171	Ms Juliana Mujica	USA
170	Ms Pamela Geffert	USA
169	Mr Dalton Boynton	USA
129	Mr Benjamin Domingo, FNP, MS	USA
143	Ms Theresa Marie Burgoyne	CANADA
182	Ms Lynée Zajac	USA
141	Ms Anne Matthews-Frederick	QLD
140	Sig. Miguel Olivo	CANADA
139	Ms Annette Powell	NSW
137	Ms Brianne Pankratz	USA
57	Ms Carrie Daviduk	CANADA
135	Dr Irene Kitzman, M.D.	USA
134	Ms Doris Potter	CANADA
133	Ms Joan Ozelis Calpin	USA
132	Ms Suzanne Cass	TAS
131	Mr Ben Reed	USA
130	Ms Janis Lindenberger	USA

168	Ms Claudia Perazzo	CANADA
222	Ms Alice Rose	ENGLAND
242	Sig. Miguel Olivo	CANADA
240	Ms Joslyn Baxter	USA
239	Ms Leslie Kinson	USA
238	Ms Roberta Claypool	USA
237	Ms Janice Murdock	USA
236	Ms Julie Le Mere	USA
234	Mr Ronnie Steinau	USA
232	Ms Jenna Schreck	USA
231	Ms Maxine Priest	USA
229	Ms Mary Eaton	USA
226	Ms Abby Cabuno	USA
180	MS Alissa Fox-Austin	USA
224	Ms Tammy Snook	USA
181	Ms Susan Hearsey	CANADA
221	Mr D Muraco	USA
220	Ms Jackie Oakes	USA
193	Ms Sylvia Raye	NSW
192	Ms Roberta Dub'e	USA
191	Ms Karen White	ENGLAND
190	Ms Sarah Glee	NSW
189	Mr Greg Barnacle	VIC
187	Ms Marian Hussenbux	ENGLAND
185	Mrs Ave Leonard	NSW
184	Ms Pinky Jain Pan	USA
183	Mr Edelgard Gerstmann	USA
136	Mr and Mrs Darren And Isla English	VIC
225	Mr Bodil Gruwberger	SWEDEN
71	Ms Margaret Mills	QLD
82	Ms Janet Allan	SA
81	Ms Pamela Foreman	SA
80	Ms Collette Thorpe	SA

79	Ms Judith Harris	SA
78	Ms Jean Atkins et.al.	SA
77	Mrs Laura Gaugg	SA
76	Ms Val Gordon	VIC
75	Ms Aimee LaLonde	USA
128	Ms Rachel Sholly	USA
73	Ms Jeanine Davidzon	VIC
83	Mr Michael Santini	SA
72	Mrs Sandy Anderson	VIC
74	Mr Michael Crouch et.al.	WA
70	Ms Rheanne Long	VIC
68	Ms Tiffany Steppe	USA
66	Mr Brent Hoffman	QLD
65	Mr Marley Daviduk	CANADA
64	Ms Lynette Chen	WA
63	Mr Stan Bailey	WA
62	Ms Vicki Leng	VIC
61	Ms Lisa Schmidt	VIC
60	Ms Joan Keay	NSW
59	Ms Sophia Rayner	QLD
138	Mrs. Brigitta MacMillan	CANADA
88	Ms Pamela Keynes	SA
125	Ms April Hoover	USA
91	Ms Jan Heald	VIC
126	Mr Robert Rutkowski	USA
127	Ms Fiona Walsh	USA
123	Ms Rachel Meltzer	USA
92	Ms Jo Duffy	VIC
89	Ms Faythe Arnold	NSW
120	Mr Ruchita Saklani	WA
122	Mr Harry Alleva	CANADA
87	Mr H Jeffery	SA
86	Mrs Rhonda Gawley	SA

84	Mr C Costa	SA
85	Mr and Mrs Mike and Chris Adams	QLD
124	Ms Sandra Moon	USA
249	Mr Brent Hofman	QLD

#### **Individual (veterinarian/other professional)**

20	Dr Jeremy Rogers	SA
5	Mr David Paxton	QLD
10	Dr Lloyd Donaldson	QLD
38	Mr Matthew Bolan	NT
90	Dr David Robertson	SA
188	Mr Richard Sutherland	WA
214	Ms Cindy Gothberg	USA

#### **Representative Organisation (animal welfare)**

67	The World Society for the Protection of Animals (WSPA)	ENGLAND
93	RSPCA	ACT
152	The World League for Protection of Animals, Inc	NSW
159	Animals Societies Federation (NSW)	NSW
100	Compassion in World Farming (CIWF)	ENGLAND
243	NSW Young Lawyers Animal Rights Committee	NSW
2	PALE (People Against Live Exports)	QLD
32	People for the Ethical Treatment of Animals (PETA)	USA
104	Ballarat Organisation for Animal Rights	VIC

#### **Representative Organisation (industry)**

248	Australian Wool Innovation Limited	NSW
241	Goat Industry Council of Australia (GICA)	VIC
52	Australian Lot Feeders' Association	NSW
119	AgForce	QLD
58	AUS-MEAT Limited	QLD
48	Goat Industry Council of Australia (GICA)	VIC
233	Australian Livestock Exporters Council (ALEC) and Australian Livestock Export Corporation Limited (LiveCorp)	NSW



230	Australasian Veterinary Boards Council Inc	VIC
227	National Farmers' Federation	ACT
114	WA Farmers Federation	WA
111	Australian Meat Industry Council	NSW
158	Australian Dairy Industry Council Inc.	VIC
186	Australian Veterinarian Association	ACT
110	Cattle Council of Australia	ACT
69	Australian Livestock Transporters Association (ALTA)	ACT
107	Sheepmeat Council of Australia	ACT
117	NSW Farmers' Association	NSW
36	Outback Damara Marketing Group	QLD
211	Meat & Livestock Australia	NSW

**Scientific/Research/Academic**

144	Dr Carol Petherick and Prof. Clive Phillips	QLD
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## Appendix 3

### Live Exports of Sheep, Cattle and Goats - Destinations, Numbers and Values

<b>Sheep 2002</b>	<b>No.</b>	<b>A\$</b>
Saudi Arabia	1,895,449	\$ 128,674,091
Kuwait	1,569,807	\$ 100,952,589
Jordan	606,834	\$ 40,099,676
United Arab Emirates	466,421	\$ 29,789,815
Bahrain	385,878	\$ 25,372,870
Oman	351,906	\$ 23,761,617
Qatar	288,233	\$ 21,113,182
Israel	243,177	\$ 16,452,654
Egypt	155,282	\$ 9,843,584
Mexico	86,331	\$ 6,339,808
China	2,199	\$ 2,965,257
Palestine, Terr Admin by	39,000	\$ 2,379,000
Indonesia	4,000	\$ 2,375,690
Lebanon	32,000	\$ 2,055,140
Malaysia	20,670	\$ 1,407,527
Singapore	6,074	\$ 416,314
Uruguay	16	\$ 98,632
Mauritius	840	\$ 80,533
New Zealand	149	\$ 52,514
Thailand	43	\$ 36,975
Argentina	1	\$ 25,123
Chile	7	\$ 24,200
Brunei	430	\$ 23,929
Philippines	3	\$ 2,100
Vanuatu	4	\$ 2,000
<b>Total</b>	<b>6,154,754</b>	<b>\$ 414,344,820</b>

(Source: DAFF)

<b>Breeder cattle 2002</b>	<b>No.</b>	<b>A\$</b>
China	4,866	\$ 10,011,681
Mexico	4,986	\$ 6,696,787
United Arab Emirates	1,089	\$ 2,254,132
Indonesia	3,384	\$ 2,063,890
Egypt	1,081	\$ 1,950,316
India	203	\$ 1,220,654
Kuwait	503	\$ 1,028,674
Malaysia	356	\$ 475,760
Jordan	322	\$ 435,150
New Zealand	57	\$ 169,080
New Caledonia	20	\$ 88,000
Philippines	30	\$ 44,500
Oman	4	\$ 3,768
<b>Total</b>	<b>16,901</b>	<b>\$ 26,442,392</b>

(Source: DAFF)

<b>Live feeder cattle 2002</b>	<b>No.</b>	<b>A\$</b>
Indonesia	425,102.00	\$ 254,669,548
Egypt	148,690.00	\$ 97,606,840
Philippines	113,233.00	\$ 65,876,732
Malaysia	90,290.00	\$ 44,830,421
Saudi Arabia	54,354.00	\$ 31,710,042
Israel	47,777.00	\$ 23,886,730
Brunei	24,143.00	\$ 17,802,508
Mexico	12,143.00	\$ 13,109,635
Japan	13,893.00	\$ 11,114,629
China	4,506.00	\$ 6,258,675
Kuwait	4,734.00	\$ 4,772,541
Vietnam	3,785.00	\$ 3,879,358
Jordan	5,843.00	\$ 3,024,612
United Arab Emirates	2,734.00	\$ 2,679,300
Palestine, Terr Admin by	4,407.00	\$ 1,903,824
Mauritius	2,400.00	\$ 1,564,116
Western Samoa	1,827.00	\$ 1,059,840
Korea, Republic of	563.00	\$ 1,020,156
Qatar	196.00	\$ 173,202
New Zealand	12.00	\$ 34,848
United States of America	6.00	\$ 21,318
Singapore	1.00	\$ 390
<b>Total</b>	<b>960,639.00</b>	<b>\$ 586,999,265</b>

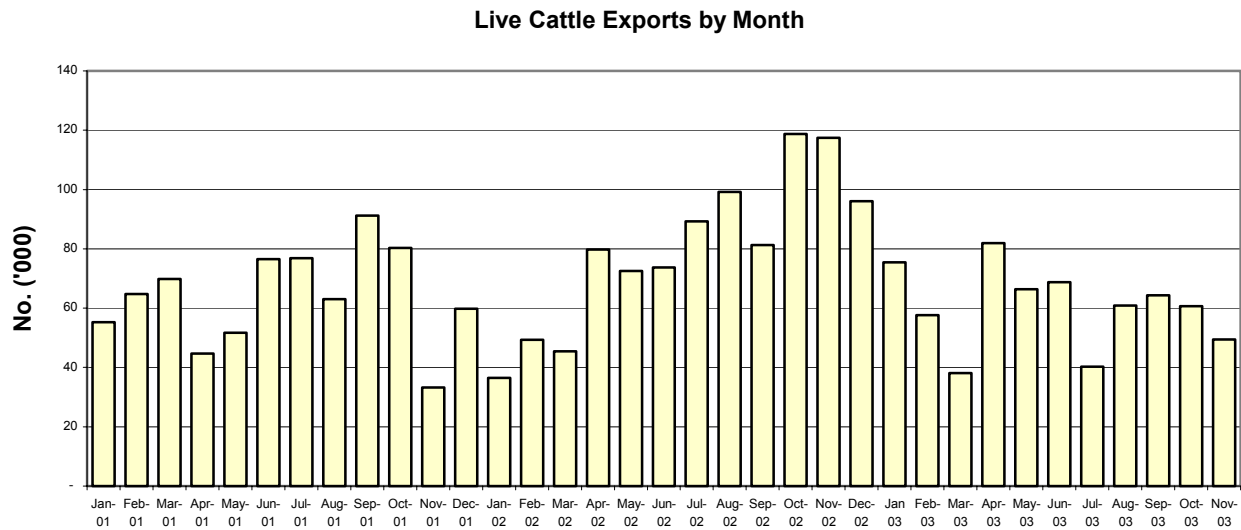
(Source: DAFF)

<b>Goats 2002</b>	<b>No.</b>	<b>A\$</b>
Malaysia	51,662	3,849,188
Saudi Arabia	59,758	2,877,732
China	987	1,127,382
Korea, Republic of	2,196	749,710
United Arab Emirates	3,869	258,489
Brunei	2,899	226,657
Mauritius	2,200	180,425
Egypt	450	170,000
Jordan	3,504	165,737
Israel	3,734	164,094
Philippines	100	149,269
Singapore	2,421	107,494
United States of America	19	87,048
Kuwait	779	44,707
Mexico	500	34,270
Hong Kong	450	15,499
New Zealand	4	4,173
<b>Total</b>	<b>135,532</b>	<b>10,211,874</b>

(Source: DAFF)

## Appendix 4

### Livestock Exports - seasonal patterns



(Source: DAFF)

## Appendix 5

### Commonwealth legislation governing the livestock export industry

The principle Commonwealth statutes and their relevant subordinate legislation, which govern the livestock export industry are as follows.

#### *Export Control Act 1982*

*Export Control (Orders) Regulations*

*Export Control (Animals) Orders*

*Prescribed Good (General) Orders*

#### *Australian Meat and Live-stock Industry Act 1987*

*Australian Meat and Live-stock Industry (Export Licensing) Regulations 1998*

*Australian Meat and Live-stock Industry (Live Sheep and Goat Exports to Saudi Arabia) Order 2002*

incorporating Saudi Livestock Export Program Industry Standards (SLEP)  
(revoked on 28 October 2003)

*Australian Meat and Live-stock Industry (Export of Live-stock to Saudi Arabia) Order 2003*  
(commenced on 28 October 2003)

#### *Navigation Act 1912*

Marine Orders Part 43 Cargo & Handling – Livestock Issue 5.

## Appendix 6

### Model Codes of Practice for the Welfare of Animals

**The current eight Codes of Practice for the Welfare of Animals relevant to the preparation and transportation of sheep, cattle and goats are set out below.**

*Model Code of Practice for the Welfare of Animals: Cattle, SCARM Report 39 (1992)*

*Model Code of Practice for the Welfare of Animals: Land Transport of Cattle, SCARM Report 77 (1999)<sup>1</sup>*

*Model Code of Practice for the Welfare of Animals: The Goat, SCARM Report 32 (1991)*

*Model Code of Practice for the Welfare of Animals: Air Transport of Livestock (1986) \**

*Model Code of Practice for the Welfare of Animals: Rail Transport of Livestock (1983) \**

*Model Code of Practice for the Welfare of Animals: Road Transport of Livestock (1983) \**

*Model Code of Practice for the Welfare of Animals: Sea Transport of Livestock (1987) \**

*Model Code of Practice for the Welfare of Animals: The Sheep, SCARM Report 29 (1991)*

The above four Model Codes that are marked \* are available from the website -

[http://www.mincos.gov.au/publications.htm#meeting\\_records](http://www.mincos.gov.au/publications.htm#meeting_records)

under the heading -

Reports/national standards/codes of practice

All the other Model Codes are available on the CSIRO website –

<http://www.publish.csiro.au/nid/22/sid/11.htm>

There are 18 Model Codes of Practice for the Welfare of Animals on the CSIRO website.

The 18 codes on the CSIRO website combined with the 4 codes listed above and marked \* comprise the full set of current Models Code of Practice for the Welfare of Animals in Australia.

A new edition of the *Model Code of Practice for the Welfare of Animals: Cattle* has recently been finalised and will be submitted the Primary Industries Ministerial Council early in 2004 for out of session endorsement.

New codes covering the land transport of sheep and goats are currently being developed and, when endorsed, will supercede those parts of the *Model Code of Practice for the Welfare of Animals: Rail Transport of Livestock (1983) \** and the *Model Code of Practice for the Welfare of Animals: Road Transport of Livestock (1983) \** that apply to sheep and goats.

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<sup>1</sup> The *Model Code of Practice for the Welfare of Animals: Land Transport of Cattle (SCARM Report 77)* supercedes those parts of the *Model Code of Practice for the Welfare of Animals: Rail Transport of Livestock (1983) \** and the *Model Code of Practice for the Welfare of Animals: Road Transport of Livestock (1983) \** that apply to cattle.

## Appendix 7

### IRG Recommendations (2000)

The Recommendations of the Independent Reference Group in its Report of February 2000 are as follows.

#### **Recommendation 1**

The IRG recommends that animals at farm gate should:

- first meet minimum Australian health requirements and standards for fitness to travel; then
- meet the health requirements of the country of destination; and
- be prepared properly to enable them to cope with the range of subsequent environments they will encounter, including sufficient time for adjusting to feed and restoring stress-handling capability.

The IRG recommends that existing processes be reviewed and modified if necessary to fully meet the above requirements, with clearer emphasis on the method of preparation on the property of origin. This preparation should be documented in a manner that can be audited.

#### **Recommendation 2**

The IRG therefore recommends that:

- documentation of animal health history on farm or from other place of origin be considered for incorporation within the processes of the Livestock Export Accreditation Program (LEAP) and Australian Livestock Export Standards (ALES), and form part of the overall documentation provided to AQIS by exporters for health certification and the issue of export permits;
- documentation could be provided either by formal vendor declaration, or by certification through a recognised quality management program such as CATTLECARE or FLOCKCARE (which may be modified if necessary), or both. As in the above dot point, documentation must be cleared through the registered veterinarian who is accredited for inspection and certification of live exports (see Recommendation 4);
- in order to achieve improved animal welfare outcomes, Industry should consider the incorporation into ALES of protocols for the preparation of different species, from different regions, to different destinations and in different seasons;
- existing State mechanisms for farm health certification should be validated for their effectiveness and consistency, particularly in connection with current disease status and

reporting under NAHIS.

### **Recommendation 3**

The IRG recommends that all States and Territories that have not already done so should ensure a consistent legislative basis on agreed national animal health and welfare standards to underpin industry initiatives, and that this be given priority.

### **Recommendation 4**

The IRG recommends that:

- AQIS should retain the power to perform separate indirect or direct audits on certification or any relevant aspect of an export of livestock, including matters affecting licences;
- The exporter clearly be the responsible and accountable entity for all aspects of the export process, including the provision of qualified and trained staff covering health and welfare matters (see last dot point below);
- Existing arrangements for the provision of 3<sup>rd</sup> Party services be continued whereby accredited veterinarians are employed or contracted directly by the exporter to assist in certifying that animals meet health and welfare standards;
- The exporter deliver documentation to AQIS to support the issuing of export permits and health certificates by that agency. The documentation must cover whatever is relevant to a given export including details on selection, land transport and assembly of animals, health certification for animals and farms, and any necessary testing and treatment;
- Existing 3<sup>rd</sup> Party provisions be incorporated into ALES as standards and be jointly developed and reviewed by industry and AQIS, and modified if necessary. Exporters should be audited on their performance against these standards;
- The Accreditation Program for Australian Veterinarians (APAV) of the Australian Animal Health Council Ltd should be extended to provide the basic training in health and welfare inspection and certification of animals for live export. Only APAV accredited veterinarians should be employed or contracted by exporters to inspect and certify animals for export.

### **Recommendation 5**

The IRG recommends that Industry restructure present arrangements, whereby the LASC advises on changes to the ALES, to an arrangement where the LASC approves any changes and has overall



management authority of the LEAP program.

#### **Recommendation 6**

The IRG recommends that existing legislation and regulation be reviewed in detail and modified in light of LEAP and ALES coverage, to provide both additional support for industry QA standards, and to ensure efficient and effective coverage for all livestock export activities. This may involve re-scoping of government provisions and restructure of legislative instruments, or possibly consolidation of regulations and orders. The Government must maintain an ability to intervene directly or through judicial action if necessary.

#### **Recommendation 7**

The IRG recommends that an (AUSVETPLAN like) approach to emergency management be jointly developed by industry and government for the livestock export trade.

#### **Recommendation 8**

The IRG recommends that Industry and Government review the livestock export industry data requirements, acquisition and maintenance systems, and public availability of performance information, with a view to both improved efficiency and transparency.

#### **Recommendation 9**

The IRG recommends that industry commit to and continue to improve general and industry performance communication, with particular emphasis on transparency.

#### **Recommendation 10**

The IRG recommends that industry strengthen the emphasis of an epidemiological basis for current and future research activity.

#### **Recommendation 11**

The IRG recommends that industry and government adopt and communicate a clear definition of animal welfare for the purposes of the live export trade, and use this definition as a benchmark for future considerations and operation.



## Appendix 8

### IRG Recommendations (2002)

The Recommendations of the Independent Reference Group in its Report of October 2002 are as follows.

#### ***Action Plan***

- Agree to the immediate establishment of a dedicated joint government and industry Working Group to develop an Action Plan for the Livestock Export Industry (APLEI) by 18 October 2002 that provides a comprehensive framework for delivery of a sustainable live animal export industry into the future that meets the expectations of the community and livestock producers on animal welfare outcomes.

Status: Working group met 16-18 October 2002 and drafted an Action Plan for the Livestock Export Industry (APLEI)

- Request IRG reconvene on 21 October 2002 to review APLEI and provide advice to Minister by end October 2002.

Status: IRG reconvened

#### ***Risk Assessment***

- Agree that before a decision to revoke the moratorium on sheep exports and the ban on exports of Bos Taurus cattle is taken, that risk assessments be undertaken before the trade re-commences having particular regard to matters such as dry conditions, sourcing of stock and conditions at destinations.

Status: addressed within the APLEI Project – Risk Management Project, refer APLEI Project 2. – Risk Management

- Agree that Biosecurity Australia and AQIS immediately develop a risk assessment template to be attached to and submitted for each consignment as part of the Notice of Intention. No export permit should be issued until AQIS has approved the risk assessment.

Status: addressed within the APLEI Project – Risk Management Project, refer APLEI Project 2. – Risk Management

- Agree to implementation of a risk assessment for each voyage as a risk reduction measure pending the implementation of a range of new measures to be defined in the Action Plan.

Status: addressed within the APLEI Project – Risk Management Project, refer APLEI Project 2. – Risk Management

### ***Investigation of Incidents***

- Agree that a memorandum of Understanding between AQIS , AMSA and Livecorp should be finalised immediately to facilitate a more timely approach to investigations and reporting of export livestock incidents by DAFF (formerly AFFA).

Status: Legal advice that there are privacy constraints in cross sharing of information regarding actions of exporters across agencies.

Refer to APLEI Project – Emergency and Incident Management.

### ***Risk Communication***

- Agree to improve transparency to all stakeholders by appropriate risk communication, including the release of regular media statements by the Minister and industry to cover incidents and developments, actions being taken and the residual risk of further incidents until the Action Plan is implemented.

Status: Government and Industry met in October 2002 and the Livestock Export Industry Consultative Committee (LEICC) was convened in December 2002 to progress APLEI.

Refer APLEI Project – Formulation of ICC.