

## Animal Law Committee

### Submission on The Agriculture Competitiveness White Paper

**16 April 2014**

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The NSW Young Lawyers Animal Law Committee is grateful for the opportunity to make a submission to the Agricultural Competitive Taskforce on the Agricultural Competitiveness White Paper.

## **NSW Young Lawyers**

NSW Young Lawyers supports practitioners in their professional and career development in numerous ways, including by encouraging active participation in its 15 separate committees, each dedicated to particular areas of practice. Membership is automatic for all NSW lawyers under 36 years and/or in their first five years of practice, as well as law students.

The NSW Young Lawyers Animal Law Committee (**the Committee**) comprises of a group of approximately 180 lawyers and law students interested in animal welfare and laws regulating the treatment of animals. The Committee aims to raise awareness and provide education to the legal profession and wider community, while increasing understanding about the importance of protecting animals from abuse and neglect. A common theme amongst Committee members is a passion and desire to use our legal skills and the law to help improve the lives of animals.

## **Introduction**

The Committee commends the Government for seeking to evaluate and shape the direction of Australia's agricultural industry. However, the Issues Paper and Terms of Reference fail to consider animal welfare and its importance to the sector; and in that respect reduces the effectiveness of this public consultation and the White Paper to achieve the Government's objective of improving the competitiveness and profitability of the agricultural industry.

A failure to consider animal welfare issues when creating a blue print for the future of the agricultural industry has the potential to result in economic backlash which would be detrimental to the industry. Concern about animal welfare is increasing, not only in Australia but also in Australia's export markets. This concern is translating into changing consumer demands. Australia's low animal welfare standards combined with increasing public scrutiny of the industry, and repeat exposure of systematic cruelty, hampers the ability of the agricultural sector to compete in these markets. If the Government truly seeks to have a competitive agricultural industry, it cannot be wilfully blind to animal welfare issues.

## The Committee's Recommendations

To ensure that Australia's agricultural industry is competitive and profitable, in a way that is sustainable, the Committee recommends that the Government:

- seek to raise Australia's legislated minimum animal welfare standards, both at the State level, and at the Federal level with respect to live export and interstate trade;
- implement truth-in labelling laws so that businesses which employ high animal welfare standards can distinguish their products from others on the market; and
- transition away from the live export of animals from Australia.

We set out our reasons for each of our three recommendations below.

### Recommendation one: raise Australia's minimum animal welfare standards

For Australia's agricultural sector to be competitive, the Government must take legislative and regulatory steps to raise Australia's minimum animal welfare standards. This is because ensuring a positive association between Australian agricultural products and animal welfare is essential to maintain competitiveness in international and domestic markets:

1. **Australia should focus on competing in the market for high-quality, ethically-produced, environmentally-sustainable produce.** There are two reasons for this. Firstly, consumer demand in both domestic and international markets is trending towards this higher standard of produce and Australia's agricultural industry needs to be prepared for this.
  - a. *Domestic market:* Consumers in Australia increasingly recognise that animals are sentient, and have intrinsic value, and this is resulting in increased demand for animals to be treated in accordance with high animal welfare standards.<sup>1</sup> This increased demand is demonstrated by the fact that:
    - i. products featuring higher animal welfare attributes are gaining market share;<sup>2</sup>

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<sup>1</sup> Jed Goodfellow, Melina Tensen and Lynne Bradshaw, 'The future of animal welfare policy and its implication for Australian livestock industries' (forthcoming article due to be published in the *Farm Policy Journal*); Flint Duxfield, 'Ethical food movement continues to grow' *ABC Rural* (3 April 2013) <http://www.abc.net.au/site-archive/rural/news/content/201304/s3728627.htm>, accessed on 6 April 2014; Rachel Clemons and Angela Cartwright, 'Free Range Eggs', *CHOICE* (updated 26 March 2014) < <http://www.choice.com.au/reviews-and-tests/food-and-health/food-and-drink/organic-and-free-range/free-range-eggs-2012.aspx>>, accessed on 6 April 2014; and TNS Social Research Consultants, *Attitudes Toward Animal Welfare*, July 2006, at 3.2.

<sup>2</sup> An Australian survey conducted between 2000-2004 found that 48% of people were more likely to buy free-range eggs than they were a few years before (Franklin, 'Human-nonhuman animal relationships in Australia: An overview of results from the first national survey and follow-up case studies 2000-2004', *Society & Animals*, 2007, vol. 15, pp 7-27). The retail market share for non-cage eggs has doubled in size from 24.8% of the market in 2005 to 50% in the 2012/13 financial year (Australian Egg Corporation Limited, *Woolworths and cage eggs*, media statement, 4 October 2013; IBIS World, *Industry Report: Egg Farming in Australia*, 2013). Higher welfare

- ii. Australia's two major food retailers – Coles and Woolworths – have both made announcements that they will increase the animal welfare standards employed in the production of their branded products;<sup>3</sup>
  - iii. the Australian pork industry has also committed to improving the welfare conditions for sows;<sup>4</sup> and
  - iv. the Australian Competition and Consumer Commission has recognised that consumers are increasingly distinguishing products based on animal welfare standards and so has sought to crack down on producers who make misleading or deceptive animal welfare claims.<sup>5</sup>
- b. *International markets:* With growing economic stability and improved standards of living in Brazil, Russia, India and China, concern for the welfare of animals may become more prevalent in these regions. In fact, one study assessing public attitudes to animal welfare in China found that 86% of respondents believed it was necessary to enact animal welfare legislation, and 89.5% stated that they were willing to pay for improved animal welfare standards.<sup>6</sup>

Secondly, Australia should seek to compete in the market for high-quality food, and not attempt to compete with international markets such as Asia in the mass production of low quality, low priced food. Competing in this latter segment of food markets inevitably involves a race to the bottom, not only in animal welfare standards, but also in product safety, employment conditions and environmental protection. It should not be Government policy to try to win this race to the bottom. By contrast,

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chicken meat and pork products have also experienced considerable growth – including those sold under the RSPCA's Approved Farming Scheme (RSPCA Australia, *Approved Farming Scheme*, 2013, available at: <http://www.rspca.org.au/what-we-do/working-farming-industry/approved-farming-scheme>, accessed on 6 April 2014). See generally, Jed Goodfellow, Melina Tensen and Lynne Bradshaw, above note 1.

<sup>3</sup> In 2013 Coles stopped selling Coles Brand caged eggs and phased out sow stalls in all Coles Brand fresh pork, ham and bacon production (Coles Limited, 'Better Animal Welfare at Coles!', *Coles Blog* (9 January 2013) <http://blog.coles.com.au/2013/01/09/better-animal-welfare-at-coles/>, accessed on 6 April 2014). Currently all Woolworths fresh pork meat is sourced from farms that only use stalls for less than 10% of the sows' gestation period; Woolworths will phase out *all* caged eggs from sale and the use of caged eggs in ingredients in Woolworths-branded products by December 2018; and Woolworths will move to RSPCA or equivalent standard for all fresh chicken meat sold in Woolworths stores by December this year (Woolworths Limited, 'Animal Welfare',

[http://www.woolworthslimited.com.au/page/A\\_Trusted\\_Company/Responsibile\\_Sourcing/Animal\\_Welfare/](http://www.woolworthslimited.com.au/page/A_Trusted_Company/Responsibile_Sourcing/Animal_Welfare/), accessed on 6 April 2014).

<sup>4</sup> Australian Pork Limited has committed to voluntarily phasing out sow stalls by 2017 (Australian Pork Limited, 'Housing' < <http://australianpork.com.au/industry-focus/animal-welfare/housing/>>, accessed on 6 April 2014).

<sup>5</sup> The ACCC has recently brought proceedings against egg producers Snowdale Holdings Pty Ltd and Pirovic Enterprises Pty Ltd for misleading and deceptive conduct in relation to their free-range egg labeling, (ACCC, 'ACCC institutes proceedings against free range egg producers' *ACCC Website* (10 December 2013) <http://www.accc.gov.au/media-release/accc-institutes-proceedings-against-free-range-egg-producers>, accessed on 6 April 2014). The ACCC has also successfully prosecuted several producers of animal products for inappropriately labelling their products to represent that the animals used in production were kept in better conditions than they were (see e.g. *ACCC v G. O. Drew Pty Ltd* [2007] FCA 1246; *ACCC v C.I. & Co Pty Ltd* [2010] FCA 1511; *ACCC v Bruhn* [2012] FCA 959; *ACCC v Turi Foods Pty Ltd (No 2)* [2012] FCA 19; *ACCC v Luv-a-Duck Pty Ltd* [2013] FCA 1136; and *ACCC v Pepe's Ducks Ltd* [2013] FCA 570).

<sup>6</sup> Zhao, Y, Wu, S, 'Willingness to pay: Animal welfare and related influencing factors in China', *Journal of Applied Animal Welfare Science*, 2013 vol 14, at 150-161, cited in Jed Goodfellow, Melina Tensen and Lynne Bradshaw, above note 1.

participating in high-value produce markets may give better returns by volume, and may also reduce the agricultural industry's externalised costs to animal welfare, human health, employment standards and the environment.

2. **Australia's animal welfare standards need to be raised so that our produce can compete in this market.** Australia's animal welfare standards, in relation to the treatment of animals used in food production, are low compared to a number of other countries. In Australia it is legal to subject chickens, ducks and pigs to cruel, inhumane and degrading practices such as:

- a. de-beaking layer hens without pain relief;<sup>7</sup>
- b. keeping meat chickens at stocking densities of about *20 birds per square metre* (or one A4 page per fully grown chicken);<sup>8</sup>
- c. depriving ducks of access to natural light, outside space and water;<sup>9</sup> and
- d. confining individual pigs in small metal and concrete cages that are barely larger than their bodies.<sup>10</sup>

By way of contrast, in the European Union, gestation crates for pigs and battery cages for layer hens were banned in 2013, while Sweden, Germany, Finland and Austria have all independently outlawed battery cages.<sup>11</sup> New Zealand, which depends heavily on the agricultural industry, but in many respects has higher animal welfare standards, has established a reputation for its produce as being of high-quality, and has taken market share from Australia in international markets.<sup>12</sup>

The public is increasingly becoming aware of the fact that the production of Australian produce fails to meet expected animal welfare standards. No major livestock industry has escaped public scrutiny over an animal welfare related matter within the past three years, and this has already had significant impacts for livestock industries including creating uncertain business environments and damaged industry

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<sup>7</sup> *Model Code of Practice for the Welfare of Animals - Poultry*, (4th edition, 2002) ('**Poultry Code**'), at paragraphs 12.5 and 13.2.

<sup>8</sup> See *Poultry Code*, above note 7, sections 2, 3 and Appendix 2; *Animal Care & Protection Regulation 2002* (Qld) regulation 15; *Prevention of Cruelty to Animals Regulation 2000* (SA) regulation 130(b); Victorian Department of Primary Industries, *Prevention of Cruelty to Animals (Domestic Fowl) Regulations 2006* (Vic) (January 2009). Note: the 20 birds per square meter figure cited assumes a slaughter weight of just under 2kg per bird. The one-bird-per A4 sheet of paper is based on the assumption of 20 two-kilogram birds being kept per square meter, averaging 500 cm<sup>2</sup> per bird for meat chickens.

<sup>9</sup> *Poultry Code*, above note 7, Appendix 4.

<sup>10</sup> *Model Code of Practice for the Welfare of Animals – Pigs* (Third Edition), at 23; *Prevention of Cruelty to Animals (General) Regulation 2006* (NSW) reg 19; Schedule 2 (incorporating the *Animal Welfare Code of Practice – Commercial Pig Production 2009* [http://www.dpi.nsw.gov.au/\\_\\_data/assets/pdf\\_file/0003/313158/animal-welfare-code-of-practicecommercial-pig-production.pdf](http://www.dpi.nsw.gov.au/__data/assets/pdf_file/0003/313158/animal-welfare-code-of-practicecommercial-pig-production.pdf)); *Animal Welfare Regulations 2000* (SA) reg 28; *Livestock Management Regulations 2011* (regulation 5); *Livestock Management Act 2010* (Vic), sections 6 and 46; and *Animal Welfare (Pig Industry) Regulations 2010* (WA), regs 2(d) and 13(4).

<sup>11</sup> Gaverick Matheny and Cheryl Leahy, 'Farm-Animal Welfare, Legislation, and Trade' *Law and Contemporary Problems*, (2007) vol 70 at 325 available at <http://jgmatheny.org/matheny%20leahy%202007.pdf>, accessed on 13 April 2014.

<sup>12</sup> Andrew White, 'Food exporters lose out in China', *The Australian* (25 March 2014) <http://www.theaustralian.com.au/business/in-depth/food-exporters-lose-out-in-china/story-fni2wt8c-1226863700456> accessed on 30 March 2014.

reputation.<sup>13</sup> Significant damage can be done to an industry as a result of exposure of its failure to meet the public's expectations of animal welfare standards: for example, economic research from the United States has found that negative media attention concerning animal welfare can cause reductions in consumer demand for meat products.<sup>14</sup>

Social and economic trends suggest that scrutiny of the livestock industry is likely to intensify as those concerned about the welfare of animals continue to expose the conditions in which animals are raised for production in Australia. This intensified scrutiny will not only be derived from animal activists (as has been the case in the past) but also from more institutionalised sources as opposition to production practices becomes more mainstream. Two prominent institutions in Australia have already displayed signs of intensifying interest in animal welfare: the legal profession, and government and non-government consumer protection bodies.<sup>15</sup>

Australia cannot afford to continue to develop a reputation of its produce being the product of animal cruelty. Minimum animal welfare standards must be raised, and the enforcement of those standards must be guaranteed, so that consumers can be assured that when they are buying Australian-made products, they are buying products produced in accordance with the highest standards of animal welfare.

## **Recommendation two: implement national truth-in labelling laws**

The Government must put in place national truth-in-labelling laws, which give legal meaning to the marketing terms commonly used by producers of animal products, to create a fair playing field for those producers who adopt higher animal welfare standards.

When marketing terms such as 'free-range' 'organic' 'farm fresh' 'barn-raised' and 'free-to-roam' are applied to animal products, it suggests to consumers that the animal welfare standards employed in creating the product are in an entirely different league to those used in factory farming.

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<sup>13</sup> See Jed Goodfellow, Melina Tensen and Lynne Bradshaw, note 1. 'Animal Law' is taught in 13 Australian law schools and is the subject of several textbooks. Professional animal law associations now exist in most state jurisdictions and a national panel of barristers has been established with the objective of providing pro bono legal representation in cases of strategic importance to the progression of animal welfare (the Barristers' Animal Welfare Panel). The Australian Competition and Consumer Commission, and advocacy group CHOICE, have demonstrated a growing interest in animal welfare issues (see list of relevant proceedings brought by the ACCC, above note 5; and CHOICE article by Rachel Clemons and Angela Cartwright above note 1).

<sup>14</sup> Tonsor, GT, Olynk, NJ, 'Impacts of animal welfare well-being and welfare media on meat demand', *Journal of Agricultural Economics*, (2010) vol. 62(2), at. 59-72, cited in Jed Goodfellow, Melina Tensen and Lynne Bradshaw, above note 1.

<sup>15</sup> Jed Goodfellow, Melina Tensen and Lynne Bradshaw, above note 1.

However, these terms have no legal meaning and factory-farm producers have been using them gratuitously to mislead consumers.<sup>16</sup> The effect of this is that producers who employ higher standards of animal welfare cannot distinguish their products in the market.

The difference between the husbandry practices of producers marketing their products with the same label can be significant. An example of this is the density at which alleged 'free range' egg producers stock their layer hens: the Free Range Farmers Association and the National Free Range Egg and Poultry Association of Australia Inc endorse eggs as being free-range when they have been produced at stocking densities of up to 750 hens per hectare;<sup>17</sup> the standard for the CSIRO Model Code of Practice for Poultry is a maximum of 1,500 hens per hectare;<sup>18</sup> in contrast, some supermarket groups intend to have a maximum allowable stocking density of 10,000 hens per hectare.<sup>19</sup>

The welfare implications of hens housed in densities of 10,000 hens per hectare, compared to the lower stocking densities of other standards, include that the hens are likely to have had up to a third of their beaks cut off,<sup>20</sup> to display fearfulness, decreased leg strength and dermatitis,<sup>21</sup> be subjected to injurious pecking due to stress and agitation,<sup>22</sup> and be unable to exhibit natural behaviours such as dust bathing, scratching and foraging.<sup>23</sup>

The fact that such disparate standards could fall under the same classification means that Australia's labelling laws are wholly unsatisfactory, and consumers may begin to mistrust Australian produce. In order for Australia to compete in the market for high-quality produce, we must have laws which enable producers who adopt higher animal welfare standards to distinguish their products, and enable consumers to place trust in Australian produce. This is essential to ensuring the competitiveness of Australia's agricultural sector.

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<sup>16</sup> See list of proceedings successfully brought by the ACCC, above note 5.

<sup>17</sup> Free Range Farmers Association Inc, *Standards – Egg Production* (Rev 12 -2013), Part C, available at <http://www.freerangefarmers.com.au/standards--info.html> accessed on 6 April 2014; Free Range Egg and Poultry Australia Ltd, *FREPA Free Range Egg Standards* (Doc. No. S1, Version 7/1/2011) at 2, available at <http://www.frepa.com.au/> accessed on 9 April 2014.

<sup>18</sup> *Poultry Code*, above note 7; SCARM report 83 available at <http://www.publish.csiro.au/Books/download.cfm?ID=3451>, accessed on 8 April 2014. See also Australian Competition and Consumer Commission Food Guidelines.

<sup>19</sup> The Coles and Woolworths free-range accreditation schemes each allow for stocking densities of 10,000 hens per hectare, see NSW Food Authority, 'Labelling: Egg production systems' available at <http://www.foodauthority.nsw.gov.au/consumers/food-labels/labelling-and-the-law/egg-labelling/#Accreditation-schemes-for-free-range> accessed on 9 April 2014.

<sup>20</sup> Free Range Farmers Association Inc, 'Hen Welfare' (undated) available at <http://www.freerangefarmers.com.au/hen-welfare.html> accessed on 9 April 2014.

<sup>21</sup> Brian D Fairchild, 'Broiler Production Systems: The ideal stocking density?', *The Poultry Site* (18 April 2005) available at <http://www.thepoultrysite.com/articles/322/broiler-production-systems-the-ideal-stocking-density> accessed on 9 April 2014.

<sup>22</sup> Compassion in World Farming, 'Laying Hen Case Study Austria 1' (2010) available at [http://ciwf.org.uk/includes/documents/cm\\_docs/2010/l/laying\\_hen\\_case\\_study\\_austria\\_ciwf.pdf](http://ciwf.org.uk/includes/documents/cm_docs/2010/l/laying_hen_case_study_austria_ciwf.pdf) accessed on 9 April 2014.

<sup>23</sup> RSPCA, 'Laying Hens' (undated) available at <http://www.rspca.org.uk/allaboutanimals/farm/poultry/layinghens/factfile> accessed 9 April 2014.

## Recommendation three: transition from live export to export of chilled meats

Live export is a risky business for Australia to continue to engage in. A concentration of onshore processing to support a chilled meat trade is the more economically sustainable option for the future of the agricultural sector and its stakeholders:

1. **The Australian public is increasingly opposed to the industry.** According to a Longeran Poll released in November 2011 almost 80% of Australian's think live export is cruel and should end.<sup>24</sup> As of 30 March 2014 there were 277,465 Australians linked to WSPA's Humane Chain campaign against live export.<sup>25</sup>
2. **Government and industry cannot assure the Australian public that the live export industry can and will improve the welfare of Australian animals.** In fact, despite numerous attempts by the Australian government and the industry to ensure appropriate treatment of Australian animals exported overseas,<sup>26</sup> in 2011 Australia's live export trade was described as having some of the worst treatment of animals ever seen.<sup>27</sup>
3. **The live export industry is less profitable to the Australian economy than a chilled or frozen meat trade.** In 2012, the WSPA commissioned ACIL Tasman and the Sapere research group (two leading independent policy bodies specialising in agriculture and economics) to analyse the cost and benefits associated with an increase to the amount of Australian cattle processed domestically as part of a chilled meat manufacture in place of live exports.<sup>28</sup> The results dispelled the myths that jobs

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<sup>24</sup> The national Lonergan Research survey was commissioned by the World Society for the Protection of Animals and reveals that over 77% of the Australian public believe live export is cruel, and 80% of the population believe the Labor Party should reconsider its support of the disgraced live export industry and embrace a transition to locally processed chilled meat export.

<sup>25</sup> See <http://www.wspaliveexport.org.au/> accessed on 30 March 2014.

<sup>26</sup> In 2001 the Australian Government and live-export industry bodies began installing the 'Mark 1' slaughter boxes in Indonesia, followed by further installations in Libya, Malaysia, Brunei and throughout the Middle East. In 2003 the Australian Government commissioned an investigation into Australia's livestock export industry chaired by Dr John Keniry. The report recommended a range of initiatives to improve animal welfare conditions in the livestock export trade including better infrastructure to reduce livestock stress or injury and training for feedlot, abattoir and transport staff in overseas markets. In October 2006 Australia signed a Memorandum of Understanding with Egypt. In the 2009-10 budget, the government announced the Live Trade Animal Welfare Partnership, which invested \$3.2 million over three years to further improve animal welfare in, and support trade with, overseas markets. The Government also introduced legislation aimed at providing stronger regulation of the livestock export industry, namely a requirement to comply with the Australian Standards for the Export of Livestock and the Export Supply Chain Assurance Scheme (see Department of Agriculture, Fisheries and Forestry, 'Live Animal Export Trade' available at <http://www.daff.gov.au/animal-plant-health/welfare/export-trade> accessed 13 April 2014).

<sup>27</sup> Peter Stevenson, Chief Policy Advisor for Compassion in World Farming said the footage shown in the May 2011 Four Corners program was some of the worst he had seen. The Australian live export industry "is probably the world's worst because of the length of time it takes to get to Indonesia and the Middle East and the utterly inhumane slaughter methods inflicted on the animals once they arrive". Louise Hall, 'Critics beef up live export censure,' *Sydney Morning Herald*, 1 August 2011, <http://www.smh.com.au/environment/animals/critics-beef-up-live-export-censure-20110731-1i6i0.html> accessed on 8 April 2014.

<sup>28</sup> ACIL Tasman Report, 'An economic analysis of live cattle exports', [http://www.wspa.org.au/Images/TransitionReportSummary\\_tcm30-31304.pdf](http://www.wspa.org.au/Images/TransitionReportSummary_tcm30-31304.pdf); Sapere Research Group Report, 'A Better Way: Replace live sheep exports with chilled and frozen meat,' Report Summary, <http://www.wspaliveexport.org.au/media/11165/a%20better%20way.pdf>. The WSPA is not opposed to the pastoral industry nor to the slaughter of food animals.

would be lost and the agricultural market would decline if Australia transitioned away from live export.

We do not wish to summarise the report here (or the numerous other reports which have reached similar conclusions). And we are aware that the WSPA has made a separate submission to the Agricultural Competitiveness Taskforce on the commercial viability of the live export trade. However, we draw your attention to the following points which we consider to be particularly salient:

- a. *the live export trade is relatively small.* In 2010-11 the value of Australian beef and veal exports was \$4.5 billion. The value of Australian live cattle exports was just 14.6% of this, representing \$660 million for that year.<sup>29</sup> In 2012, just 7% of cattle and 10% of sheep raised for food in Australia went to the live export trade.<sup>30</sup>
- b. *the live export trade seems less beneficial to Australia's economy than exporting chilled or frozen meat.* An independent study by SG Heilbron concluded that live exports cost Australia approximately \$1.5 billion in lost GDP and 10,500 lost jobs.<sup>31</sup>

Investing in additional abattoirs on home soil such as in NT and WA would facilitate increased efficiency and local employment opportunities. The WSPA has predicted that if northern cattle farmers had access to a northern abattoir, they could increase their pre-tax earnings by 245% and the same abattoir could contribute \$204 million to the economy each year, and create 1300 jobs, having large flow on benefits to the community.<sup>32</sup>

In a similar vein, other research suggests that as live cattle exports from QLD is on the rise, the beef processing industry in QLD is being negatively impacted, reducing employment opportunities within the state, risking the closure of some abattoirs, increasing unit costs of processing meat locally and thereby reducing the competitiveness of beef relative to other meats in both domestic and overseas markets.<sup>33</sup>

- c. *there is growing demand for chilled and frozen meat overseas.* Since 2012, Bahrain has entirely replaced live sheep with Australian sheep meat after trade disputes resulted in the market being closed. Chilled beef exports to the Middle East and Africa jumped by 51% in 2012. The

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<sup>29</sup> ACIL Tasman Report, above note 28, at 1.

<sup>30</sup> Animals Australia, '10 reasons why the world won't end when live export does' (20 May 2013) online feature available at <http://www.banliveexport.com/features/10-reasons-world-wont-end.php> accessed on 7 April 2014.

<sup>31</sup> SG Heilbron, Economic and Policy Consultants, 'The Future of the Queensland Beef Industry and the Impact of Live Cattle Exports', Final Report prepared for Teys Bros, Swift Australia and Nippon Meat Packers Australia, June 2010 at 5 and 9.

<sup>32</sup> Mark Barber, 'Australian live sheep exports: Economic analysis of Australian live sheep and cattle from Australia' (2012) draft report, at 126 available at [http://www.fao.org/fileadmin/user\\_upload/animalwelfare/LivecattleexportsinthenorthACILTasman2012.pdf](http://www.fao.org/fileadmin/user_upload/animalwelfare/LivecattleexportsinthenorthACILTasman2012.pdf) accessed 13 April 2014).

<sup>33</sup> SG Heilbron, above note 31.

consumption of processed sheep in the Middle East is also increasing, coupled with a trend decline in processed sheep exports from WA to the Middle East. As the Indonesian economy grows and people enjoy rising personal incomes, Indonesia will also demand higher quality meat products sold in convenient ways in modern retail outlets, consistent with the pattern in other developing countries.<sup>34</sup> Australia could lead the way forward and be ready for this change;

- d. *demand for chilled and frozen meat will likely further increase as refrigerators and freezers become more commonplace in export markets.* A review undertaken in 2011 by Market Vision Research & Consulting Services, a company based in Dubai, noted that in the UAE, Kuwait, Qatar and Bahrain there was near universal household ownership of refrigerators, at 99.5%. Freezers also have a high penetration among households, at 73%. Euromonitor International, a major international strategy researcher for consumer markets, estimates the household penetration rate of fridge freezers in Indonesia will have grown to 45% by 2017, a doubling of the penetration rate since 2012 (although according to the Indonesian Association of Electronics Entrepreneurs, quoted in the Australian newspaper on 14 June 2011, about 60% of Indonesian households already have at least one refrigerator);
- e. *there is decreasing demand for live sheep overseas.* Australia's live sheep export trade, dominated by sheep producers in WA, has been trending downwards since 2001.<sup>35</sup> Demand in Kuwait and UAE was estimated by ABRES to have declined by 22% in 2012-13, a figure of around 2 million.<sup>36</sup>

Furthermore, a focus on a chilled and frozen meat trade would remove the need for ineffective, but presumably costly, regulatory measures that are in place to attempt to secure acceptable treatment of Australian animals (such as the ESCAS regime). It would also circumvent problems that are inherent in the live export trade such as disease outbreak and death during long haul transportation; and delay or system-breakdown due to importing countries rejecting stock for health and safety reasons. We say that these problems are inherent in the live export trade because they have not been successfully addressed despite regulatory frameworks being implemented by governments in consistent intervals since 2003.

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<sup>34</sup> WSPA, 'Refrigeration in live export: the facts' (20 May 2013) online article available at <http://wspaliveexport.org.au/ourblog/index.php/2013/05/refrigeration-in-live-export-the-facts/> accessed on 27 March 2014.

<sup>35</sup> Dr. Alistair Davey, Sapere Research Group, 'Economic impact of phasing out the live sheep export trade,' (March 2013) at v.

<sup>36</sup> Department of Agriculture, Fisheries and Forestry, ABARES, Agricultural Commodities (December 2012 Quarterly Report) at 91 available at [http://data.daff.gov.au/brs/data/warehouse/agcomd9abcc004/agcomd9abcc004201212/AgCommodities2012.Vo12.No4\\_Ver1.0.0.pdf](http://data.daff.gov.au/brs/data/warehouse/agcomd9abcc004/agcomd9abcc004201212/AgCommodities2012.Vo12.No4_Ver1.0.0.pdf), accessed 13 April 2014 ). See also Dr. Alistair Davey, above note 35, at 6.

4. **Other countries have found that a transition from live export is not only commercially viable, but commercially essential.** In 2007 New Zealand transitioned from live export to producing processed meat for Europe, Japan and Asia.<sup>37</sup> New Zealand's economy is, and was then, heavily dependent on agricultural exports (more so than Australia's economy currently is).<sup>38</sup> However, the then Minister for Agriculture, Jim Anderton recognised that: firstly, animal welfare issues in the live export trade could undermine New Zealand's brand image and thereby result in an 'economic backlash' and; secondly, live export is a low form of commodity export that undermines the higher-value processed meat trade.<sup>39</sup> Jim Anderton has recently stated that New Zealand has been economically advantaged by ending the live export trade and focusing on higher-value agricultural exports.<sup>40</sup> And this has recently been demonstrated by the fact that Australia's loss of share in the China export market is largely reflected in market share gains made by New Zealand.<sup>41</sup>

### Closing remarks

The Committee has sought to demonstrate the commercial necessity of ensuring high animal welfare standards in the production of Australian produce. As set out in the submissions, growing awareness of animal welfare issues has begun to impact the nature of the demand for animal products. Consumers in Australia, and in Australia's export market, are increasingly seeking produce that meets higher animal welfare standards. Australia does not currently have an appropriate legislative framework in place to enable the agricultural industry to compete in the markets for these products. Australia's minimum animal welfare standards need to be raised; legislation should be in place to ensure that labelling referring to animal welfare standards is meaningful and transparent; and finally, Australia should transition to the export of chilled and frozen meat, in place of the live export of animals, primarily to avoid any economic backlash that could result from repeat incidences of publicised animal cruelty damaging Australia's reputation.

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<sup>37</sup> Currently the export of livestock (including cattle, deer, goats or sheep) for slaughter from New Zealand is prohibited under the *Customs Export Prohibition (Livestock for Slaughter) Order 2013* (SR 2010/457). The prohibition was first introduced by the *Customs Export Prohibition (Livestock for Slaughter) Order 2007* pursuant to section 56(2) of the *Customs and Excise Act 1996*. Although the Director-General of the Ministry for Primary Industries has powers to grant an exemption no request has ever been made and no live animals have been exported for slaughter since the order was first introduced in 2007 (see [www.mpi.govt.nz/biosecurity-animal-welfare/animal-welfare/welfare-of-livestock-for-export](http://www.mpi.govt.nz/biosecurity-animal-welfare/animal-welfare/welfare-of-livestock-for-export).)

<sup>38</sup> Jim Anderton (former Minister for Agriculture for New Zealand) in interview with Geraldine Doogue, (18 June 2011) *Radio National, Saturday Extra*. Transcript available at <http://www.abc.net.au/radionational/programs/saturdayextra/live-animal-trade-the-new-zealand-experience/2917316>, accessed 8 April 2014.

<sup>39</sup> Jim Anderton, above note 38.

<sup>40</sup> Jim Anderton, above note 38.

<sup>41</sup> Andrew White, above note 12.

The Committee also takes the view that animal welfare is important in and of itself. In failing to include animal welfare considerations in the Terms of Reference and the White Paper, the Government has failed to recognise that the agricultural industry deals with sentient beings who can feel pain, frustration, distress, grief and suffering, but when placed in the right environment, can form emotional attachments, and experience joy and happiness. In seeking to improve the competitiveness of the Australian agricultural sector, the Government should not lose sight of the fact that it is dealing with animals' lives, and although those animals cannot vote, those lives matter.

The Committee thanks the Agricultural Competitiveness Taskforce for the opportunity to comment on the White Paper. If any further information can be provided, please contact the undersigned.



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