

**A Way Forward on Animal Welfare:
A Report on the Livestock Export Industry**

by the

Independent Reference Group (IRG)

Arising from its Meeting on 2-3 October 2002

EXECUTIVE SUMMARY

Following recent livestock export incidents involving unacceptably high mortalities, the Minister for Agriculture, Fisheries and Forestry requested the Independent Reference Group (IRG) to reconvene to develop advice on future initiatives to improve animal welfare outcomes for the livestock export trade for consideration by the Government (and industry).

The IRG met on the 2-3 October 2002 in Canberra and considered presentations from Livecorp, AMSA and AQIS. In the limited time and information available to it, the IRG has undertaken its task to the best of its abilities and sought to reach broader conclusions and recommendations on the trade rather than analyse specific incidents in detail.

The IRG considers that the recent spate of livestock export incidents, particularly in shipments originating from Portland, is evidence of systemic failures within the whole live animal export program and associated framework.

The IRG recommends that industry and government urgently address these incidents in a transparent and comprehensive manner, otherwise Australia's reputation could potentially be damaged.

The IRG strongly believes that its report of February 2000 remains highly relevant as the basis for delivery of sustainable animal welfare outcomes for the live animal export trade. While elements from this report have been successfully implemented, neither industry nor AQIS was fully ready at the time of the report for the cultural change inherent in the through chain (from paddock to customer) approach advocated by IRG. Industry and AQIS are now seen to be appreciably more receptive to such an approach.

The factors IRG views as being critical to improving the performance of the trade include:

- **Adoption of risk assessment** from paddock to customer for the wider trade and individual voyages
 - This must cover; sourcing of livestock, preparation, on-board management, climatic conditions, market and trade dynamics;
- A contemporary, **outcomes focussed program and regulatory framework;**
- **Review of LEAP** to re-orientate it to an outcomes approach;
- A comprehensive and ongoing **research and development** program;
- A **joint industry government emergency management plan;** and
- Overall **government coordination and leadership to be driven by AFFA** in future.

While many of these can only be addressed by action in the medium term, the IRG has made specific recommendations on future initiatives to improve animal welfare outcomes for the livestock export trade in the following key areas:

- **Development of an Action Plan** jointly by industry and government;
- **Implementation of risk assessment** for the trade and individual voyages;
- **Improved approach to investigation of incidents;** and
- **Better risk communication** to improve transparency.

It is recommended that the development of a comprehensive Action Plan for delivery of a sustainable live animal export trade be undertaken immediately. Suggested terms of reference are attached.

1. PURPOSE

To provide advice from the Independent Reference Group (IRG) for consideration by the Government (and industry) on future initiatives to improve animal welfare outcomes for the livestock export trade.

2. BACKGROUND

The IRG was formed in July 1999 to review all aspects of the livestock export trade. The IRG completed its initial review in February 2000 (Attachment A).

The IRG is chaired by Dr Gardner Murray, Australia's Chief Veterinary Officer. Other members are Professor Ivan Caple, Chair of the National Consultative Committee on Animal Welfare, Dr Hugh Wirth AM, President of RSPCA Australia, and Mr Malcolm Foster, formerly chairman of the Red Meat Advisory Council.

Following a number of recent livestock export incidents involving unacceptably high mortalities the Minister for Agriculture, Fisheries and Forestry requested the IRG to reconvene and provide advice to Government (and industry) on improvements to the broader framework to improve animal welfare outcomes for the livestock export trade.

The IRG was asked to look beyond the recent incidents and look at the entire supply chain in providing its advice with an eye to delivering better welfare outcomes in the future. It was also asked to consult with industry bodies such as Livecorp, the Australian Maritime Safety Authority (AMSA) and the Department of Agriculture, Fisheries and Forestry - Australia (AFFA).

The IRG met in Canberra on 2-3 October 2002. At the meeting the IRG received oral and written reports on the high mortality incidents and the performance of the livestock export trade in general. These included:

- Presentations by AQIS, AMSA and Livecorp (Attachments B, C & D respectively); and
- Reports by AQIS on the *MV Norvantes* and the recent four shipments involving high sheep mortalities (Attachments E and F respectively);
- A report from Livecorp (prepared by Dr Simon Moore) on the cattle deaths on the *MV Becrux* (Attachment G); and
- A report on the inspection of the Portland feedlot by the Australian Chief Veterinary Officer on 20 September 2002 (Attachment H).

Table1: Incidents involving high levels of livestock mortalities in 2002

Date	Destination	Vessel	Mortalities
February	Jakarta	<i>MV Norvantes</i>	99 cattle (8.5%)
June	Middle East	<i>MV Becrux</i>	880 cattle (44.1%) & 1418 sheep (2.03%)
July	Middle East	<i>MV Corriedale Express</i>	6119 sheep (11%)
July	Middle East	<i>MV Al Messilah</i>	2173 sheep (2.82%)
July	Middle East	<i>MV Al Shuwaikh</i>	5800 sheep (6.8%)
July	Middle East	<i>MV Cormo Express</i>	1064 sheep (2.03%)
September	Middle East	<i>MV Al Shuwaikh</i>	2304 sheep (3.08%)

Prior to the unacceptable levels of mortalities recorded during seven voyages in 2002, analysis indicated a declining trend in the overall levels of mortalities in recent years. The mortality rate of 1.26% for sheep exported to the Middle East for 2001 (calendar year), for example, represents a record low level. The mortality rate of 0.18% for cattle exported from Australia in 2001 is an 18% decrease from the 0.22% experienced in 2000.

Table 2: Other livestock export trade incidents since 2000

Date	Destination	Issue
February 2000	Thailand	During trans shipment from Brisbane to Sydney, 69 deer died.
May 2001	South Korea	Suspension of further exports after violent protests by local farmers prevented 663 cattle being removed from quarantine.
April 2002	India	Quarantine of 200 cattle due to alleged disease concerns under the industry/country protocol.
September 2002	Korea	One goat diagnosed with bluetongue on arrival following a mix-up in laboratory results and supporting documentation.
September 2002	China	Exporter loaded 41 cattle deemed unfit for export. Whole shipment was halted. The trade was suspended.

The above incidents that have occurred since the original IRG report have implications beyond animal welfare concerns on live animal shipments by sea. This extends to the need to consider implications for the current framework of shipments transported by air and other concerns such as certification and trade aspects.

3. ISSUES CRITICAL TO IMPROVING PERFORMANCE

After questions and discussions on each of the oral and written presentations from key stakeholders, the IRG workshopped some of the key themes coming from the presentations and other reports it had been provided. The following comments represent a summation of the issues the IRG views as critical to improving the performance of the livestock export trade. The views expressed are commonly held by the IRG, although not all comments are necessarily unanimous.

3.1 Progress Since 2000

While the IRG acknowledges that some elements of the recommendations contained in its report of February 2000 have been successfully implemented by the industry, neither industry nor the regulators (AQIS and AMSA) was fully ready at the time of the report for the cultural change inherent in the through chain (from paddock to customer) approach advocated by IRG. The industry and the regulators, are now seen to be appreciably more receptive to the original IRG recommendations.

Actions taken by industry and government since 2000 are referred to in the individual presentations prepared by each key stakeholder (see Attachments B, C & D) and in the industry response to the IRG report which forms parts of Attachment A.

The IRG is strongly of the view that the eleven recommendations in its report of February 2000 remain highly relevant as the basis for delivery of sustainable animal welfare outcomes for the live animal export trade.

3.2 Handling of Recent Incidents

Recent incidents have undermined the confidence of the community and livestock producers in industry (and government) to consistently deliver acceptable welfare outcomes by the trade.

Separate investigations into each individual incident are routinely undertaken by AMSA, AQIS and Livecorp, but finalisation of reports and the public release of findings has been very slow, eg the *Norvantes* report is still to be finalised six months after the incident occurred, and the investigations are still not effectively coordinated. Despite a draft MOU between the three parties having been prepared in late 2001, it is still to be signed by all parties.

The IRG considers that an interim report as to the cause of each incident should be made publicly available within 30 days of each incident and that a final consolidated report completed within three months for all incidents. While the IRG acknowledges there are privacy and natural justice issues involved, the delays and apparent lack of transparency in investigations is a greater cause for concern.

Further, the IRG is of the view that AFFA should assume responsibility as the lead agency to coordinate future investigations, and that the MOU should be finalised immediately and ratified by each stakeholder. The power afforded AMSA under Marine Order 43 to obtain information via the Master's Report needs to be retained.

For all voyages both the Master's reports (to AMSA) and the Stockman's Report to Livecorp need to be better collated and analysed to ensure that any trends, such as problems with a particular port, destination, type of livestock or vessel, are identified quickly and actively managed. There also needs to be transparency in relation to this collation and analysis.

The lack of a formally coordinated response by industry and government was also seen as a particular shortcoming in recent incidents. The IRG recommends the development of a joint government/industry crisis (emergency) plan to ensure a more coordinated and efficient response to future incidents.

3.3 Program and Legislative/Regulatory Framework

The IRG is strongly of the view that recent livestock export incidents are evidence of systemic failures with the whole live animal export program (inclusive of LEAP and the Third Party Veterinary Program), including a lack of accountability and connectivity, weaknesses in the regulatory framework and a lack of responsiveness as problems arise.

The heavy reliance on industry self-regulation under LEAP, limited control by AQIS over third party veterinarians and a legislative framework across the AMLI Act and Export Control Act that makes it difficult for AQIS to take decisive sanctions are all examples of current shortcomings in the present system.

While AQIS is ultimately responsible as the government-to-government certifying body, individual exporters must also be held accountable for delivery (and failure in delivery) of acceptable outcomes. The current system is too fragmented.

The IRG considers that:

- LEAP must be properly underpinned in legislation;
- A contemporary, outcomes based program and regulatory framework put in place that includes:
 - Appropriate verification and hands-on auditing systems (not just paper audits)
 - A transparent sanctions regime for breaches - eg removal of licenses or permits when justified;
- Intergovernmental protocols must override industry to government negotiations;
- Adequate resources must be provided to enable analysis of data and the provision of feedback on performance to third party veterinarians and individual exporters.

3.4 Risk Assessment and Quality Assurance Systems

While acknowledging the effort that has gone into the development by industry of LEAP, the quality assurance (QA) system, it is evident to the IRG, given recent incidents, that the program is not consistently delivering the required outcomes, nor does it appear to be resulting in the cultural change to quality control required under a HACCP or risk based approach. IRG considers that LEAP needs to be re-orientated to an outcomes approach.

However, the IRG considers that the critical factor currently missing is risk analysis and risk assessment. Adoption of risk assessment across the trade (would force implementation of IRG 2000 Report recommendations 1, 2, 3) to ensure better management of the risks from paddock to customer. Risk assessment needs to cover the key business risks to the trade including:

- Sourcing of livestock - livestock type, location, health status;
- Preparation – water and feeding regime, facilities in accredited assembly depots and feedlots, culling practices, transport and handling times
- On-board management – water and feed regime, stock movement and watering down, stockmen to accompany on all voyages;
- Climatic conditions at departure and during the voyage;
- Market and trade dynamics;

While the IRG supports recent decisions to place a moratorium on sheep exports from Portland and the ban on exports of *Bos taurus* cattle from below the 26th parallel in place until 31 October, these decisions only serve to highlight risks that need to be properly analysed and assessed and then appropriately mitigated.

IRG is strongly of the view 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 should be undertaken before the trade re-commences having particular regard to matters such as dry conditions, sourcing of stock and conditions at destinations. This would be assisted by the immediate development by Biosecurity Australia and AQIS of a suitable risk assessment template. This could 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.

Pending the development and implementation of a comprehensive Action Plan for the industry as proposed below, the IRG considers that a risk assessment for each voyage should be undertaken as a interim risk mitigation measure.

3.5 Other Issues

The IRG was encouraged by the apparent willingness of LiveCorp, AMSA, and AQIS to acknowledge current problems. However, the IRG noted the apparent absence of a comprehensive plan and vision to address current problems, notwithstanding that the IRG supports the thrust of many of the issues and recommendations identified in the presentations given by Livecorp, AQIS and AMSA.

The IRG considers that a more co-ordinated approach, led by AFFA, is required to achieve resolutions that will involve clearer accountabilities, roles and responsibilities. Further, the IRG considers that priority should be given to the immediate establishment of a dedicated joint government and industry Working Group to develop an Action Plan for the Livestock Export Industry 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. Suggested Terms of Reference for a joint Working Group are at Attachment I.

Once the Action Plan has been developed and implementation has been commenced, a broader Industry Consultative Committee, comprising representatives of all stakeholders (AQIS, Industry, Community, AMSA, Livestock Producers – cattle & sheep, convened and chaired by AFFA or Independent) should be established to provide a forum for future co-ordination and consultation.

As mentioned above, recent incidents have undermined community confidence. The IRG considers that in order to help restore community confidence and improve transparency to all stakeholders an appropriate risk communication strategy involving industry and government should be adopted. This could include 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. A statement on progress at the Primary Industry Ministerial Council meeting to be held on 10 October 2001 would be useful part of such risk communication.

4. CONCLUSIONS

In the limited time and information available to it, the IRG has undertaken its task to the best of its abilities and sought to reach broader conclusions and recommendations on the trade rather than analyse specific incidents in detail. The IRG is unanimous in its view that the current livestock export trade performance on animal welfare remains unsatisfactory and must be urgently addressed.

The IRG concluded that:

1. The implications of recent livestock export incidents extend beyond animal welfare to include other aspects such as certification and trade, and that if these incidents are not addressed in a transparent and comprehensive manner, Australia's reputation as a reliable supplier of quality agricultural produce to international markets could be damaged.

2. The eleven recommendations in the IRG report of February 2000 (Attachment A) remain highly relevant as the basis for delivery of sustainable animal welfare outcomes for the live animal export trade.
3. Notwithstanding that up until June 2002 overall mortality trends have been downwards with some variability between ports, recent livestock export incidents are evidence of systemic failures with the whole live animal export program (inclusive of LEAP and the Third Party Veterinary Program), including a lack of accountability and connectivity, weaknesses in the regulatory framework and a lack of responsiveness as problems arise.
4. The IRG was encouraged by the apparent willingness of LiveCorp, AMSA, and AQIS to acknowledge current problems, and that the IRG supports the thrust of the issues and recommendations identified in the presentations given by Livecorp, AQIS and AMSA at the IRG meeting on 3 October 2002 (Attachments B, C, D) but considers a more co-ordinated approach, led by AFFA, is required to achieve resolutions that will involve clearer accountabilities, roles and responsibilities.
5. The factors outlined below were identified by the IRG as being critical to improving the performance of the trade. Many of these can only be addressed by action in the medium term through the proposed Action Plan. The critical factors IRG identified include:
 - Adoption of risk assessment across the trade to ensure better management of the risks from paddock to customer for the wider trade and individual voyages that covers
 - Sourcing of livestock - livestock type, location, health status;
 - Preparation – water and feeding regime, facilities in accredited assembly depots and feedlots, culling practices, transport and handling times
 - On-board management – water and feed regime, stock movement and watering down, stockmen to accompany on all voyages;
 - Climatic conditions at departure and during the voyage;
 - Market and trade dynamics;
 - A contemporary, outcomes focussed program and legislative/regulatory framework - to provide (among other things), greater accountability, an unequivocal sanctions regime and for the interoperability of AQIS officers and third party veterinarians;
 - Review of LEAP to re-orientate it to an outcomes approach;
 - A comprehensive and ongoing research and development program;
 - A joint industry government emergency management plan; and
 - Overall government coordination and leadership to be driven by AFFA in future.
6. The IRG supports the moratorium on sheep exports from Portland and the ban on exports of *Bos taurus* cattle from below the 26th parallel in place until 31 October.

5. RECOMMENDATIONS

The IRG recommends to the Minister (and industry) the following:

Action plan

1. 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.

- Attached are proposed Terms of Reference for the Working Group (Attachment D).
2. Request the IRG to reconvene on 21 October 2002 to review the Plan and provide advice to you on it by the end of October 2002.

Risk Assessment

3. 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.
4. 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.
5. 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.

Investigation of Incidents

6. Agree that a Memorandum of Understanding between AQIS, AMSA and Livecorp should be finalised immediately to facilitate a more co-ordinated and timely approach to investigations and reporting of export livestock incidents by AFFA.

Risk Communication

7. 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. A statement on progress at the Primary Industry Ministerial Council meeting to be held on 10 October 2001 would be useful part of such risk communication.
8. Agree to the establishment of a Live Animal Exports Industry Consultative Committee (ICC) to provide advice to AFFA and QEAC on live animal exports and oversee implementation of the APLEI. ICC members to include nominees of Cattle Council, Sheepmeat Council and Wool Council as well as of AQIS, ALEC and the community organisations.
9. Agree to announce the establishment of the ICC at the 10 October PIMC meeting.