



THE GREENS ON:

LIVE EXPORTS

**A FIVE POINT PLAN
TO END ANIMAL CRUELTY
AND BOOST JOBS**



INTRODUCTION

The Greens have identified five key issues the government must address to provide a more economically robust and humane alternative to the live export trade.

The Greens have consulted widely with key players on these issues. Our Live Animal Export (Slaughter) Prohibition Bill was reintroduced into the federal parliament in 2014.

The evidence reveals that the live export trade is inherently cruel. A responsible government would be working hard to end this cruelty and develop a transition plan to boost Australia's export of chilled and frozen boxed meat.

The Greens are ready to work with governments, animal welfare groups, farmers, industry and unions to achieve what the Australian public demands – building a strong domestic meat processing sector to enable an end to live exports, reduced animal cruelty and a stronger economy.



SENATOR LEE RHIANNON
GREENS ANIMAL WELFARE SPOKESPERSON

May 2016

OUR 5 POINT PLAN

The Australian Greens' 5 key issues the government must address to end live exports and build domestic meat processing:

1

Encourage the development of new meat processing facilities in northern Australia.

The government working with industry should provide incentives to support opening abattoirs in northern Australia and assist producers to grow domestic processing.

2

Remove trade distortions and more vigorously market Australian meat overseas.

The government, working with industry, should actively lobby importing countries for an end to subsidies and tariffs which favour the live export trade, and should put more resources into further promoting the boxed meat trade from Australia.

3

Boost skills and educate workers

The government, working with industry and unions, should provide assistance to help attract and train Indigenous and other meat processing workers to grow a new, strong domestic meat processing industry.

4

Smooth the transition for farmers and the meat processing sector

The government, working with industry, should work with farmers and investors to ensure a smooth and successful transition away from live exports.

5

Establish teams to drive reform within government

Establish new divisions within the Department of Agriculture and Water Resources and Austrade specifically responsible for transitioning away from live exports; growing domestic processing and building chilled meat markets overseas. Government should support the Greens' bill to set up an Independent Office of Animal Welfare outside the Department of Agriculture. The IOAW will oversee animal welfare issues free from existing commercial conflicts of interest.

STOP ANIMAL CRUELTY

Each year Australia typically exports between 500,000 and one million cattle mainly to Indonesia, and between two and three million sheep mainly to the Middle East. Most of these animals come from Northern and Western Australia¹.

Cruelty in the export animal industry is in the spotlight. Over the past four decades more than two and half million sheep have died during the long sea voyage. Many exported animals suffer horrific cruelty when they are slaughtered. We know this not from the industry nor from government, but from the brave investigations by non-profit animal welfare investigators. Four of five Australians have backed a phase out of live exports in favour of growing the local chilled meat industry².

In 2011 live export regulations known as the Exporter Supply Chain Assurance System (ESCAS) were put in place in response to public outrage at the cruelty suffered by Australian cattle in Indonesian abattoirs. This was supposed to make exporters legally accountable for ensuring Australian animals remain within approved supply chains. However the scheme is self-monitoring and there is no government oversight in importing countries. As a result there continues to be blatant disregard of regulations by exporters and importers, causing terrible suffering for our exported livestock.

Between 2011 and 2015 at least 40 legal complaints about horrific treatment of animals were lodged. Despite extensive evidence of ongoing breaches and failures no export company has been prosecuted by the government.

A major justification for the live export trade has been the supply of fresh meat slaughtered according to strict religious requirements, however Halal and Kosher slaughter requires the animal not be injured at the time of slaughter. Under Australian law animals must be stunned immediately prior to slaughter in order to prevent unnecessary suffering by the animal.

The majority of Islamic and Jewish leaders in Australia and increasingly abroad accept that stunning is an acceptable practice for Halal and Kosher accredited meat, and Australia's trade in halal accredited meat to overseas markets is growing considerably every year.

BOOST REGIONAL ECONOMIES

Job creation and economic benefits from domestic meat processing.

Processing more meat domestically will increase employment opportunities, strengthen Australia's meat processing sector and provide a superior economic boost to regional Australia.

Sheep exports have declined considerably since the 1980s. Australian livestock producers receive only seven per cent of their income from the sale of live export livestock³.

Meanwhile frozen and chilled mutton meat exports to the Middle East grew by 29 per cent in 2014. This is 12 times more than what live sheep exports bring in. This is likely to increase further as the middle class becomes more widespread in importing countries.

ABARES estimates that the global demand for sheep meat will double between 2007-2050 and that the value of Australian sheep meat exports will triple in that time. The global demand for beef is set to double in this same period and the value of Australian beef exports will do the same⁴. The live export industry has caused the loss of thousands of jobs as abattoirs in northern Australia have been forced to close. Reports from Western Australia and Queensland indicate that the live export industry has seriously damaged the meat processing sector⁵.

The Australian Meat Industry Employees Union has called for a cap on live meat exports, at least in Queensland. In the last three decades 150 meat processing plants have closed and 40,000 meat workers jobs have been lost.

STEP 1: ENCOURAGE THE DEVELOPMENT OF NEW MEAT PROCESSING FACILITIES IN NORTHERN AUSTRALIA

The government, working with industry, should provide incentives to support opening abattoirs in northern Australia to assist producers to grow domestic processing.

New meat processing plants will have a significant ripple effect on local regional communities. A responsible Australian government would adopt an economic development plan that encourages this sort of investment and employment in the region.

There is clear capacity for additional abattoirs in northern Australia to support domestic meat processing, improving the profits of northern cattle producers and boosting regional economies.

International trade data shows increases in consumption of Australian processed beef in most live export countries. In 2014 Australia's exported beef and lamb continued to hit new high records⁶.

Two new meat processing facilities in northern Australia have been completed since 2015 - The Australian Agricultural Company facility near Darwin and Yeeda Pastoral Company's abattoir near Broome.

Two meat processing centres have recently reopened in Western Australia, including one purchased by live exporter Wellard, suggesting even live exporters are turning towards the boxed meat trade.

A 2012 report on the costs and benefits of transitioning away from live exported cattle to a chilled meat trade, commissioned by World Society for the Protection of Animals (now World Animal Protection) and prepared by ACIL Tasman, provides an excellent blueprint⁷.

As a first step, WSPA proposes 'a market-driven rebalancing of the live animal and meat export trades'. The report shows it could be economically viable to process 400,000 cattle per year diverted from the live export trade in one or two northern cattle processing facilities, and that this would not need significant ongoing government financial contributions. A single facility would contribute over \$200m to the regional economy, create 1,300 full-time jobs and could increase a northern beef farmer's income by up to 245 per cent.

Other economic research shows domestic processing of sheep has a higher multiplier effect than that associated with the live sheep trade. Research points to the economic benefits of domestic processing. For example a sheep processed domestically is worth 20 per cent more to the Australian economy than one exported live⁸.

Most Australian producers have already diversified their farming operations and continue to do so to meet changing markets, for example producing both feed and cattle. Statistically only a small section of the market is exclusively dependent on live exports. This was evidenced by the low number of applications for income assistance as a result of Australia's 2011 live export trade suspension to Indonesia.

In an unpredictable live export market, it is possible and desirable for farmers to make the transition to a more stable and secure income source. For example, loss of income from sheep live exports could be overcome through flock restructuring to gain income from lamb meat or wool.

STEP 2:

REMOVE TRADE DISTORTIONS AND MORE VIGOROUSLY MARKET AUSTRALIAN MEAT OVERSEAS

The government should work with industry to actively lobby for an end to subsidies and tariffs that favour the live export trade, and should put more resources into promoting the boxed meat trade.

Act to reduce or remove trade distortions

Live exports are heavily subsidised by some importing countries in the Middle East and some country tariffs create some market barriers for Australian meat exports. For example about 90 per cent of Australia's live sheep are exported to the Middle East, mainly to the Gulf Cooperation Council States which impose a 5 per cent tariff on the importation of frozen and chilled sheep meat⁹. Money currently spent on supporting the live export industry (eg maintaining port facilities) could instead be spent on lobbying major importing countries to reduce or eliminate trade barriers such as tariffs, subsidies and quotas, to allow the processed meat trade to grow.

Undertake vigorous marketing

The government should partner industry and invest in more energetic marketing of Australia's boxed meat to the world. This strategy has been successful in New Zealand where they promote their meat as grass-fed, healthy, clean and green. This would build on Australia's already successful boxed meat industry.

This measure would also significantly spread the risk for farmers as live exports are highly concentrated and dependent on few markets and international factors beyond Australia's control.

STEP 3:

BOOST SKILLS AND EDUCATE WORKERS

The government, working with industry and unions, should provide assistance to help attract and train Indigenous and other meat processing workers to support strong growth in the domestic meat processing industry.

New abattoirs can offer alternative employment opportunities for local communities in the form of skilled and semi-skilled jobs. There are new jobs in a stronger domestic meat processing sector.

It has been estimated that an additional 2000 jobs could be created if Western Australian sheep were processed domestically rather than exported¹⁰.

ACIL Tasman's 2012 report estimates 107 direct and 1,300 indirect jobs could be created as a result of construction of a northern Australian abattoir.

Successful programs such as 'Boys from the Bush'¹¹ have already been established and train young indigenous workers in the meat processing industry.

Creating new job opportunities in northern Australian abattoirs would remove the need for young Indigenous Australians to leave their land and travel to find employment in other parts of the country.

STEP 4:

SMOOTH THE TRANSITION FOR FARMERS AND THE MEAT PROCESSING SECTOR

The government, working with industry, should work with farmers and investors to ensure a smooth and successful transition away from live exports.

WSPA's 2012 ACIL report notes in relation to the shift to domestic cattle processing:

"Large extraordinary government assistance does not appear to be required ... The assistance that is required is that which is routinely provided by Government. It requires reprioritisation or alignment with a coordinated strategy to develop a meat processing industry in the north of Australia, which would unlock considerable value across the whole of the economy."

There is a role for government in providing support, advice and research to ease the transition.

For example:

- Assisting in establishing services to new abattoirs such as connection and supply of utilities, new road access etc
- Accelerating agricultural research and development into suitable breeds to restock farms in northern Australia best suited to local conditions.
- Helping farmers adapt to a domestic slaughter market with different production system features. For example, replacing income by undertaking flock restructuring to gain income from wool.
- Identifying strategies to reduce production costs such as more efficient use of water and energy and recover saleable meat.
- Ensuring good, all weather roads
- Transport of stock to new abattoirs in northern NSW is an issue for producers but it is by no means insurmountable. There is already a huge movement of stock out of the Northern Territory, South Australia and Western Australia to coastal ports to serve the live export industry, even in the monsoon season¹².

Investment by the federal government in road upgrades in northern Australia would assist with addressing transport concerns, although attention may need to be given to assisting with the provision of slip roads and access roads.

“

Processing more meat domestically will increase employment opportunities, strengthen Australia’s meat processing sector and provide a superior economic boost to regional Australia.

”

STEP 5:

ESTABLISH TEAMS TO DRIVE REFORM WITHIN GOVERNMENT

Establish new divisions within the Department of Agriculture and Water and within Austrade to grow domestic processing and build meat markets overseas, and establish a new Independent Office of Animal Welfare.

Cultural change is needed within the Department to help drive reform to achieve even higher growth in Australia's meat processing sector as an alternative to live exports. Austrade must play a key role in further promoting boxed meat overseas. Animal welfare also deserves additional attention through the creation of a separate agency.

Establish new divisions within the Department of Agriculture and Austrade responsible for growing domestic processing and marketing Australian meat overseas: Stimulating the Australian meat processing industry, building meat export markets and developing new ones requires dedicated resources and a reorientation in the direction of the Department of Agriculture and Austrade.

Independent Office of Animal Welfare (IOAW)

Government should support the Greens bill to establish a new Independent Office of Animal Welfare set up separately from competing conflicts of interest in the Department of Agriculture. The Greens' Bill was reintroduced in the parliament in 2015, however neither Labor nor the Coalition have indicated support for this initiative. This is despite the ALP's historical policy platform calling for the creation of an independent Office of Animal Welfare.

The need for this Office is long overdue, with terrible suffering of animals in the live export chain continuing. The Greens' IOAW will be independent of the Department of Agriculture to ensure conflicts of interest that compromise animal welfare over profitmaking are removed. It will be guided by the advice of an Animal Welfare Advisory Committee including animal welfare organisations and experts, consumer groups, scientists and ethicists. The IOAW will also work to harmonise and improve animal welfare laws across the country.

REFERENCES

1. Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) Live Export Trade Assessment 2014, Australian Government
2. Longeran Poll, November 2011 Lonergan Research, WSPA Live Export Study Report (2012) 4-6
3. Deards et al Live Export trade assessment 2014 Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES). Department of Agriculture, Australian Government
4. Linehan V et al (2012) Food demand to 2050. Opportunities for Australian agriculture ABARES, Department of Agriculture, Fisheries & Forestry, Australian Government
5. Cattle and Sheep Meat Processing in Western Australia. Ministerial Taskforce Final Report. Nov 2004. and The Future of the Queensland Beef Industry and the Impact of live Cattle Exports. SG Heilbron Economic & Policy Consulting. June 2010.
6. <http://www.mla.com.au/Prices-markets/Overseas-markets>
7. ACIL Tasman (2012) An economic analysis of the live exportation of cattle from northern Australia
8. ACIL Tasman, Australian live sheep exports - Economic analysis of Australian live sheep and sheep meat trade, 2009.
9. WSPA submission to the Senate Select Committee on Australia's Food Processing Sector, 2011.
10. ACIL Tasman, Australian live sheep exports – Economic analysis of Australian live sheep and sheep meat trade (2009)
11. <http://www.fromthebush.org/meat-processing-work.html>
12. Livecorp statistics show over 1.3 million cattle were transported to live export ports around Australia. To provide context, a large meat processing facility similar to QLD's Oakey Abattoir P/L employs 750 Australians and handles 270,000 head of cattle. That one beef processing company employs around 1800 employees in its overall operations.

GET IN CONTACT

Would you like an issue raised in Parliament? Would you like support in your campaign? Our office can assist with things such as printing and online advertising.

SENATOR LEE RHIANNON
GREENS SENATOR FOR NSW



lee-rhiannon.greensmps.org.au/



fb.me/lee.rhiannon



senator.rhiannon@aph.gov.au



02 9211 9523