

9 September 2020

Ross Carter
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By email: iglae@agriculture.gov.au

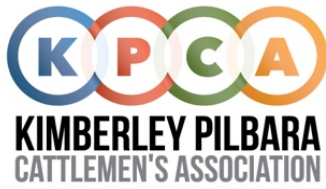
Dear Ross,

Re: Northern Australian Live Export Working Group Submission in relation to DAWE's Progress Implementing the Moss Review Recommendations

The Northern Australian Live Export Working Group (NALEWG) thanks you for the opportunity to provide a submission in relation to the Department of Agriculture, Water and the Environment's (DAWE) progress in implementing the Moss Review recommendations.

At the time of writing this submission, the members of NALEWG have been deeply saddened by the maritime tragedy unfolding in the East China Sea involving the suspected loss of the MV Gulf Livestock 1 carrier, chartered by Australasian Global Exports, en route with 43 crew and circa 5,800 cattle from Napier in New Zealand to the Port of Jingtang in Tangshan, China. It is a deeply emotional and sobering time for the close knit live export community both nationally and internationally as well as livestock producers. It is also time to pause, reflect and take heed of/thoroughly analyse the important learnings and opportunities for improvement from this terrible tragedy. Just as the airline, passenger cruise ship, train nor road transport industries would not be shut down/suspended in response to such an incident, it is not the time for the livestock export industry to be unfairly nor prejudicially penalised.

In compiling this submission, NALEWG's intent is to build on earlier issues raised with you, dating back to our introductory meeting in Canberra in May 2019, our September 2019 submission relating to Monitoring and Reporting during Livestock Export Voyages and the producer group members of NALEWG letter of July 2020 in particular flagging issues in relation to process, regulatory and cost impact issues pertaining to the impending implementation of the revised Australian Standards for the Export of Livestock (ASEL 3.0) in November 2020. NALEWG would also welcome the opportunity to hear from you further in relation to your views on how the new *Export Control Act 2020* (Cwth) and associated



Regulations might support DAWE in deploying a more enabling, risk-based, outcomes focused approach to live export regulation by virtue of having a new set of regulatory tools at its disposal.

Concurrence with ALEC and Cattle Council of Australia Submissions

In compiling this submission, NALEWG has given consideration to the content of ALEC's and the Cattle Council of Australia's submissions and supports both those submissions.

Similar to the ALEC submission, NALEWG wishes to focus on the process, regulatory and cost impact issues pertaining to the impending implementation of the revised Australian Standards for the Export of Livestock (ASEL 3.0) as of 1 November 2020 as this provides a number pertinent examples of DAWE's progress on the Moss Review implementation including opportunities for further improvement. Further, in relation to the ALEC submission, NALEWG has flagged specific points below that build on ALEC's examples in relation to Recognition of Prior Performance, Powers, Accountabilities and Responsibilities, Regulatory Performance and Cost Recovery.

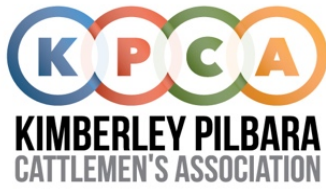
Recognition of Prior Performance (Moss Review Recommendations 1 and 4)

There is a fundamental inconsistency in the intent of the Moss Review recommendations relating to the recognition of prior performance and the direction that DAWE has taken in finalising critical ASEL review recommendation and in turn progressing ASEL 3.0 implementation as it relates in particular to the approach to changes in stocking densities and the impacts on an already high performing South East Asian trade.

As per the analysis in the ALEC submission, NALEWG understands that whilst costs will vary between exporters and vessels used, exporters have indicated additional costs of approximately \$50 per head directly as a result of additional ASEL 3.0 requirements. Extrapolating across the 880,000 head exported from our northern ports, this will be an absolute minimum, an additional \$44M that in all likelihood, producers will end up bearing a significant portion of the cost burden.

Again, consistent with the points flagged with you in the July 2020 producer group members of NALEWG letter, there are significant flaws in the ASEL 2.3 Review Technical Advisory Committee (TAC) expedited process considering such issues in addition to the Regulatory Impact Statement process utilised by DAWE. As a result, the true cost and regulatory burden of ASEL 3.0 on industry, inclusive of producers, is only just now being brought to the fore.

Further, the notion of "high performance" is critical to the concept for exporters potentially benefitting from a more favourable stocking density for the short haul trade. However, there has still been no evolution of the draft policy issued by DAWE with very minimal



notice of implementation in May 2019 in the lead up to the Federal election and certainly no further opportunity for substantive consultation/comment. This is in spite of significant delays in the original intended ASEL 3.0 implementation date of 1 June 2019 and the breakdown in communication with the broader industry as the implementation process evolved.

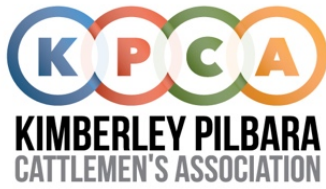
Given the expedited timeframe in which the ASEL 2.3 Review progressed due to Minister Littleproud's response to the Awassi Express media coverage in April 2018 and then the stop-start implementation by DAWE from 1 June 2019 to 1 November 2020, it is critical that there is clarity in terms of when ASEL 3.0 will now be subject to its three year review. Is it three years from 1 November 2020 or earlier/when the TAC finalised the review recommendations?

In relation to the South East Asian cattle trade, NALEWG contends that the cattle industry is already "high performing" in terms of mortality rates as the ultimate animal welfare indicator both for long and short haul voyages. In particular, as per the ALEC submission, NALEWG again reiterates that in 2019, more than 650,000 head of cattle were exported to Indonesia with 99.96% (0.04% mortalities) of cattle exported arriving safe and well. Since 2015 over 3 million head of cattle have been exported to Indonesia achieving a delivery rate of 99.95% (0.05% mortalities). It is similar in Vietnam, where the over 1.1m head of cattle exported since 2015 have achieved a delivery rate of 99.83% (0.17% mortalities).

Powers, Accountabilities and Responsibilities – Canberra versus Regional Offices and Regulatory Performance (Moss Review recommendations 2, 5, 9, 10, 13, 17, 21, 22, 23, 25, 26, 27, 28, 30 & 31)

Consistent with the points made in our September 2019 submission to you relating to Monitoring and Reporting during Livestock Export Voyages, NALEWG still believes resourcing of DAWE is a critical point in terms of ensuring transparency, regulatory effectiveness and efficiency and ultimately constructive working relationships with the industry. Ultimately this is also about the underlying culture and capability within DAWE including individual staff performance, from an Australian Public Sector Values and Code of Conduct perspective (i.e. its not solely about what is done/achieved from a key performance indicator/metrics perspective but how it is done, and the behaviours modelled including professional maturity/conduct and the ability to form constructive working relationships internally and externally).

To this end, again NALEWG would like to also emphasise specific points in the Moss Review that relate to the move away from a regionalised to a nationally based regulatory model and the resultant challenges for DAWE in attracting and retaining adequately skilled/qualified staff in relation to live export regulation (specifically Moss Review sections/paragraphs 251, 340, 341 and 342). It has previously been implied that shifting from a regionally based



model to a nationally based regulatory model was also driven by funding cuts to the agency/Commonwealth Government efficiency dividend objectives over the last few years.

NALEWG again proposes that regionalising regulatory roles (e.g. to Townsville, Darwin and Broome as the key northern live export ports) to ensure greater effectiveness should be something that is actively considered by the IIGLAE and DAWE and that, from an industry perspective, as has proven effective in terms of DAWE locating an Assistant Director – Live Animal Export Regulation, with previous industry experience, in Darwin.

Whilst locating regulatory staff in Canberra may save money in the short term, NALEWG is not aware of any evidence to indicate it contributes to more effective regulation into the future. In fact, the recent COVID-19 experience across Australia and internationally has shored up confidence in working remotely being feasible and productive. Again, NALEWG would like to suggest that a cost-benefit analysis be undertaken to better articulate the value proposition to Government of regionalising the regulatory model for live export and also determining whether moving to a regional model may aid reducing staff turnover and increasing attraction and retention of industry experienced personnel.

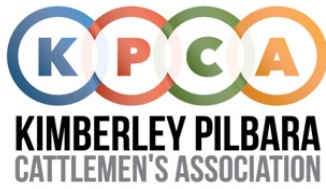
Further, in terms of its approach to industry engagement and consultation, DAWE would benefit from reflecting on the effectiveness of in effect cumulatively bombarding small industry bodies with transactional regulatory review and implementation processes. Further, in a number of instances DAWE, against an objective measure such as the International Association of Public Participation Engagement Spectrum, is quite often at the lower level “Inform” level of engagement as opposed to the “consultation” level whereby the latter requires feedback to be taken on board and proposals amended accordingly.

Cost Recovery (Moss Review Recommendation 16)

NALEWG is of the view that until there is significant improvement in the regulatory culture and effectiveness within DAWE, it makes it difficult to further progress discussions regarding cost recovery.

Much of the live export regulatory landscape is not ultimately for the benefit of animals, cattle producers nor exporters but is about assuring transparency as a matter of public interest. It is arguable no export commodity has as much public interest and scrutiny as live export. As such, and as a fundamental principle in relation to cost recovery, balance needs to be struck in allocating the cost burden such that it should not be borne entirely by the industry.

Further, any proposed change to cost recovery arrangements must include regulatory efficiency and effectiveness improvements and be consistent with Australian Government



Cost Recovery Best Practice Guidelines. There also needs to be provision for adequate and fit-for-purpose service level guarantees to industry.

NALEWG thanks you for the opportunity to provide comments on DAWE's progress in implementing the Moss Review Recommendations.

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