

## SUBMISSION

21 February 2023

Department of Agriculture, Fisheries and Forestry  
Regulatory Performance Section, Live Animal Export Branch  
Via email: LAE.ESCAS@agriculture.gov.au

Dear Sir/Madam

**Re: ESCAS Review – Stage 1**

Cattle Australia (CA) is the peak industry organisation representing Australia's grass-fed cattle producers. Established in 1979, CA (formally known as Cattle Council of Australia) brings together all state-based farming organisations representing cattle producers in their jurisdiction, associate member organisations with close connections to the cattle industry, and individual cattle producers. CA provides clear leadership and direction for the grassfed beef cattle industry by developing and driving contemporary policy, guiding research, development and adoption, and marketing investment for the sector, and advocating on matters important to the Australian cattle industry.

CA welcomes the opportunity to provide comment on the Exporter Supply Chain Assurance System (ESCAS) Review – stage 1.

CA recognises the importance of the livestock export industry as a vital facet of the Australian agricultural sector and a fundamental pillar of producer and rural prosperity, providing an economically powerful alternative market to domestic processing, benefiting producers Australia-wide, particularly via higher farm gate returns. CA is committed to continuous improvement of animal welfare outcomes.

CA supports the Exporter Supply Chain Assurance System (ESCAS) as a means of delivering animal welfare along the livestock export supply chain. ESCAS has been effective at supporting improved animal welfare outcomes in our overseas markets. We see opportunity to improve the system by improving the regulatory framework and addressing the administrative inefficiencies without compromising the pillars of welfare assurance which we support. We also believe that the next generation of ESCAS should be able to achieve its objectives while recognising the vastly different markets and product distribution systems in which the trade operates.

The operating and regulatory environment for the livestock export industry was dramatically changed with the introduction of the ESCAS. ESCAS regulations are unique amongst global livestock export supply chains and have introduced a wide range of supply chain responsibilities and obligations on exporters.

Australian livestock exporters already face the highest regulatory costs of the over one hundred nations globally involved in livestock export. No other nation places prescriptive and process orientated regulatory requirements on every aspect of the livestock export supply chain that adds significant costs to the export task. In part this reflects the Government and industry commitment to place animal welfare as a critical component of the livestock export business but a substantial proportion is due to the structure and inefficiency of regulatory business systems and the cost recovery model.

Experiences from the implementation of ESCAS highlight areas for improvement that will lead to improved animal welfare outcomes, facilitate market access and remove unnecessary regulation. The Government has an opportunity to reduce regulatory inefficiencies caused through the prescriptive and bureaucratic approach to ESCAS administration, unnecessary red tape not supporting improved animal welfare outcomes, and a lack of consistency, transparency and predictability in regulatory decision-making.

The direct costs associated with the Department of Agriculture's charges for delivering ESCAS services and administration are now excessively high and are affecting the industry's competitiveness. It is incumbent on the Government to work to reduce these charges through a review of the Department's cost structures and business systems, a shift to a more risk-based view of compliance activity, the utilisation of contestability of services where possible and an appropriate sharing of costs with the broader community in recognition of the public goods delivered through ESCAS.

As a member of the broader supply chain for live export, CA endorses the Australian Live Export Council technical advice through their submission to this review. There are, however, a number of questions that the review paper presents the CA would like to address, that may or may not have been articulated by the livestock export industry in their submissions to the ESCAS Review -Stage 1.

#### 1.1 Requirements for audit company accreditation and auditor rotation

The risk profile of current arrangements for audits of ESCAS has been a concern of CA for some time. The fact that additional audits can be sort if an unfavourable audit is delivered poses a risk to the integrity of the system.

CA agrees that auditors should conduct independent auditing of livestock management in a manner consistent with the OIE Animal Welfare Standards and Guidelines from disembarkation through to the point of slaughter. This approach however will not address supply chain control or traceability as there are no recognised standards for this.

With a limited pool of auditors in many markets with the relevant competencies it may be impractical to rotate or limit assessments conducted by auditors.

#### 1.7 Use of other surveillance methods

CA asserts that if DAFF are aware of any increased risk profiles for importers or exporters there are already in place a number of tools to achieve improved monitoring and verification. CA do not support any additional verification or monitoring arrangements.

#### 2.2 Expectation of 100% compliance

This is unrealistic and aspirational given there are cases of genuine failures due to technology or human error.

#### 3.3 Process for managing allegations of non-compliance

Regarding addressing external parties' submissions of complaints and evidence of noncompliance, CA and broader industry would expect that there would be a set criterion (relating to credibility of the allegation and objective evidence) as to what would constitute a noncompliance event or incident. We would suggest that a standard template be made available to those looking to lodge an allegation to assist in the timely processing of said allegation.

For Australian beef producers, ensuring opportunities for increased on-farm profits, including streamlining of systems, clear regulatory expectations for exporters and importers and those involved in the respective supply chains is key to a successful review.

CA looks forward to further consultation with Department of Agriculture, Forestry and Fisheries on this important process. If there are any queries about this submission, please do not hesitate to contact our office on 1300 653 038 or email [ca@cattleaustralia.com.au](mailto:ca@cattleaustralia.com.au).

Yours sincerely

