

31/8/2020

Ross Carter  
Inspector-General of Live Animal Exports  
[iglae@awe.gov.au](mailto:iglae@awe.gov.au)

Dear Mr Carter

**Moss Review Submission**

In undertaking a review of the Department of Agriculture, Water and the Environment's ("the Department") progress in the implementation of the 31 recommendations of the Moss Review Wellard approached this issue from two perspectives.

Firstly, examining the Department's assessment of its performance in implementing the recommendations as detailed in its 2019 paper

And then subsequently, examining and providing feedback on the validity and evidence of those claims in this paper using the considerable experience that our Company possesses in the live export of sheep and cattle from Australia.

Our assessment is the that the Department has spent considerable time and resources in addressing and documenting its response to the Moss Review, and by our assessment, more resources have been assigned to detailing the response than actually addressing the issues and initiating cultural change recommended by Moss.

Most concerningly, there is little evidence that the Department's actions in response to the Moss Review have positively impacted animal welfare outcomes, which is the ultimate determinant of success.

In assessing this response, it is necessary to list enhanced animal welfare outcomes since the Moss Review. The number of significant changes to the Industry that have measurable animal welfare outcomes is low, with most unrelated to Moss' recommendations but rather other reviews and initiatives.

1. Changes to Stocking Densities (McCarthy)
2. Review and Audit of Pen Air Turnovers (McCarthy /Minister)
3. Middle East Summer Moratorium (Industry-initiated but later adopted by the Department)
4. Requirement for an Independent Observer on all long haul and nominated short haul voyages (Minister).

(We would note that IOs have not materially changed welfare outcomes. Long delays in the release of reports in heavily redacted forms have limited the efficacy of any response by industry and yielded little new information for the regulator. The increased apparent transparency with few revelations over 100s of reports may well endorse the fact that animal welfare standards are maintained in the vast majority of voyages.)

Important Moss recommendations requiring implementation:

1. Move to animal welfare indicators – Not yet implemented. McCarthy also recommend this progression, but suggest that they may not be a tool for regulation.
2. Independent Observers – Implemented. However, reports authored and published over the period of implementation (until suspended due to Covid) have not delivered significant improved welfare outcomes. It can however be suggested that IOs have delivered improved transparency of the industry.
3. Establishment of the Animal Welfare Branch – Implemented. However, the skills base of this branch does not reflect the skills base recommended in the Moss review.
4. Inspector General – Appointed and active. Though influence of cultural change within the Department not yet evident.
5. Cultural change – Not evident. There is no evidence of cultural change or positive change to the skills base of the Department. There is a lack of personnel with operational experience in Canberra and little evidence that operational staff in the regions have input into the decision-making process.

In the Minister's response to the Moss Review he identified these key issues:

- "improve internal regulatory practice, performance and culture"
- "develop welfare indicators and use these as part of the regulatory framework"
- "establish an animal welfare branch develop welfare indicators and use these as part of the regulatory framework"
- "establish an Inspector General of Live Animal Exports"

Examining these key recommendations, we again see some structural change with growth of the Department, not only in numbers of personnel but growth in the administrative red tape. These changes have yet to contribute to genuine and measurable improved outcomes, but have created a greatly increased administrative burden and cost to Industry. It is impossible to directly quantify the growth of the Department over this period as there is no transparency of numbers employed by the department, however the Department live export oversight has been split into sections:

- Principal Regulatory office
- Live Animal Exports Branch
- Animal Welfare Branch
- Independent Observer Section
- Live Animal Section (Veterinary and Export Meat Group)

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*Wellard finding: Required cultural change has not occurred in the Department and the animal welfare gains that have occurred in the industry were largely as a result of other reviews.*

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*Ratio of regulators to exporters has increased rapidly*

The creation of the various sections listed above has led to 35 Positions at Assistant Director level and above, plus 31 operational Veterinary Officers in the states. These numbers do not include clerical, back room and support positions, and seems grossly out of context in regard to the number of export shipments performed per year (150 IO-monitored voyages in 2019, and 9 significant exporters representing in excess of 90% of the trade). With cost recovery principles in place this is not sustainable, and an efficient cost-effective regulatory system needs to be in place for a sustainable industry. We recommend that an in-depth analysis of staffing levels occurs immediately.

This increase is in direct conflict with the concept of Approved Arrangements which were introduced to streamline the regulatory process.

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*Wellard recommendation: A structural review of staffing levels, and expertise, is required, particularly given the imposition of cost recovery on participants.*

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*Reliance on observational data flawed*

Whilst the establishment of an Animal Welfare Branch is a positive step in refocusing the industry, based on performance to date there is little evidence of any progress in this direction. Published analysis from the Animal Welfare Division lacks sophistication and scientific method. Analysis of qualitative data from AAV reports demonstrates a lack of scientific method where qualitative data from AAV Reports is graphed and compared without standardized methodology of data collection.

In the Department's own pie-charts below there is no analysis of data, and as presented, suggests large variability in interpretation of the qualitative data between Veterinarians. Industry has moved from collection of observational data many years ago to research by trained researchers with valid scientific method. This work should be outsourced to bodies with the appropriate skillset.

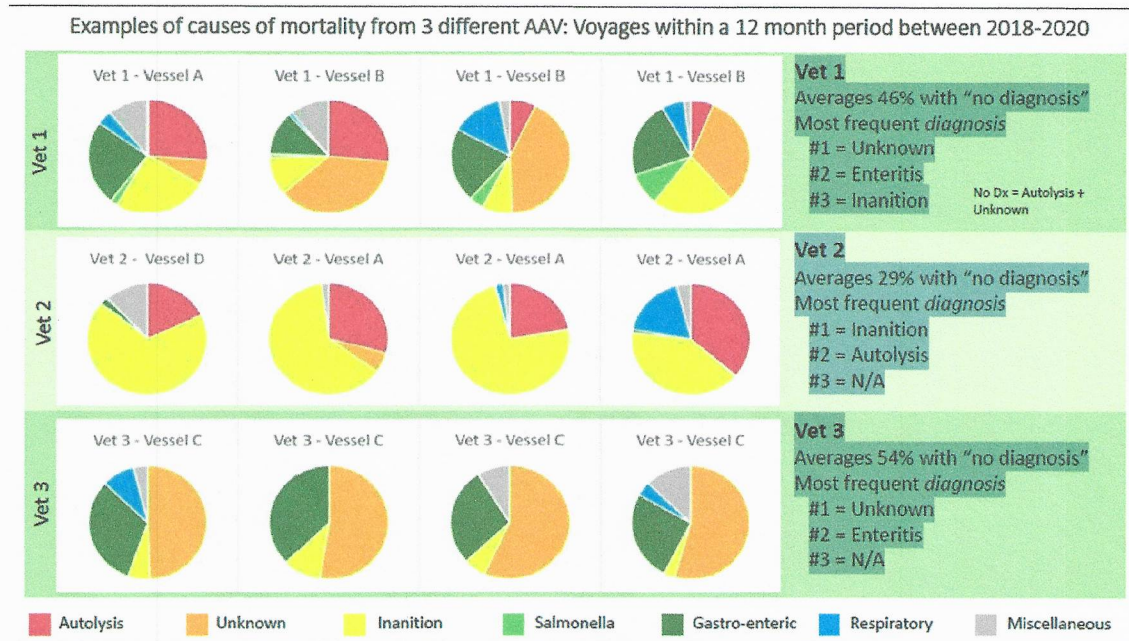
It is particularly noteworthy that no comment was made in the analysis of the absence heat stress as a cause of mortality in any of the voyages. Given that Heat Stress has been the focus of Industry and the Department's attention since the Awassi Express incident, the absence of mention of any heat stress issues in any voyage by any Veterinarian warrants comment and analysis. There is also no attempt to examine cause and effect of the measured mortality figures.

The work does however confirm the lack of any research benefit gained from the analysis of observational data. Industry had come to this conclusion 20 years ago and has focused on targeted research by qualified pathologists, epidemiologists and research veterinarians rather than observations by clinicians and generalists where under field conditions, diagnoses are made without laboratory confirmation.

At the levels examined, the observations reflect background morbidity and mortality that could be observed in any land-based flock in Australia, so variations bear a relationship to historical genetics and flock issues rather than any effect of transport. In any valid examination of data there should be



an adjustment for the background morbidity and mortality experienced in any animal production enterprise.



*Wellard recommendation: To achieve the next round of animal welfare gains the Department must shift from relying on analysis of observational to analysing quantitative research data proven in the field.*

#### Skills, location and management structure

The Department states: "Significant work has also been undertaken, particularly in the Live Animal Exports Division, to improve the department's regulatory culture."

There is little evidence that that this has occurred. While a veterinary science qualification is imperative for a number of aspects of the livestock export process (certification/protocol negotiation/inspection), and somewhat useful for others, there is a very broad range of functions under regulation and department oversight which a veterinary degree is largely irrelevant. Livestock husbandry and operational (working) experience would be more relevant and appropriate skillset.

The Department could look to recruit specialists from industry itself. The issue of the drain of skills from the Department has been greatly exacerbated by the centralisation policy in recent years, whereby regulatory function and all that it entails, has been withdrawn from the regions.

Regional SLEVO's had effective operational experience and knowledge specific to the species and breeds to be exported and detailed knowledge of the Export companies and facilities involved in the process. The policy has led to very poor and retrograde regulatory outcomes.

An audit of the skills base and qualifications in the Department should occur and this should be matched to job descriptions. Key selection criteria should be documented and published for all positions. It is quite possible that attracting suitably qualified staff for Canberra-based positions may

not be possible. Decentralisation of part or all the roles to the regions could attract applicants with appropriate skillset.

The livestock export process needs to be considered multi-factorially, meaning the regulation and application of regulation needs to be a sum of its parts. Currently the Department does not appear in its actions (increasing and exacerbating the regulatory processes) to have that capability. Who is training the Trainer? It is not evident that there is anyone in the Department with a skillset specific for that task that can deliver effective training.

As detailed above there is evidence of what could be called exponential growth of staffing levels within the department with layers upon layers of management applied in lieu of effective and skilled regulation. Managing the Managers does not deliver better animal welfare outcomes.

The templates mentioned in the Department update would not be required if Officers had the necessary training, experience and clear authority to regulate and make operational decisions accordingly. What is defensible decision making? Is this a risk averse approach to regulation? Was integrity identified as an issue within the Live Animal branch? Are Government employees not bound by a legal charter to operate within and in accordance to the law of the land, and within the regulatory framework that they are tasked with imposing upon the Live Export Industry? If the Department has an integrity problem, that is a separate issue to those to be addressed as part of the Moss review.

If the skill-set in the Department needs to regulate an industry is lacking to the extent that templates are required to guide staff as to how to apply regulatory processes, then distributing a newsletter authored by officers naïve as to the practical and operational application of the regulations seems unlikely to deliver good outcomes. The effectiveness of a newsletter style of information dissemination and sharing is wholly dependent on the quality of the information itself, which appears to be poor at best.

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*Wellard finding: The actions of the Department are centred on defending their culture and regulatory process, rather than delivering a sustainable and well-regulated Livestock Export trade, maintaining animal welfare outcomes through clear and effective regulation.*

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*Recommendations:*

*Decentralise the Department's live export functions to live export regions*

*Employ staff with animal husbandry skills*

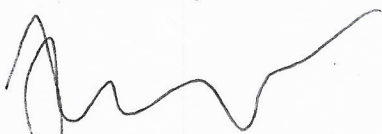
*Streamline roles to prevent a 'managers managing the managers' culture*

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**Conclusion**

Through this process, the Department appears to have lost focus of their core function of maintaining a sustainable live export trade in line with community expectations, inclusive of enhancing international market access and developing the trade, for Australian Primary Producers. The Department has demonstrated since the release of the Moss review, that it is incapable of the cultural and structural changes recommended, and it is likely to require mandated directives to achieve same.

Yours Sincerely



John Klepec  
Executive Chairman  
Wellard Limited