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Dr Mike Bond
Acting Inspector General of Animal Welfare and Live Animal Exports
The Department of Agriculture, Fisheries and Forestry
Agriculture House
70 Northbourne Avenue,
Canberra, ACT, 2601, Australia

Via email: igawlae@aff.gov.au>

Dear Dr Mike Bond,

The Australian Livestock Export Corporation Limited (LiveCorp) would like to thank you for the opportunity to provide a submission to your review assessing how effectively the Independent Observer program provides regulatory assurance regarding the welfare of livestock transported by sea. LiveCorp would welcome the opportunity to meet to discuss our response in more detail.

LiveCorp

LiveCorp is the research and development corporation (RDC) for the Australian livestock export industry. It is a not-for-profit industry body funded through levies on the export of beef and dairy cattle, sheep and goats from Australia.

LiveCorp does not engage in agri-political activities, and the responsibility for policy and advocacy lies with the Australian Livestock Exporter's Council (ALEC). LiveCorp's role is to market Australian livestock and invest in RD&E to enhance the productivity, sustainability and competitiveness of the livestock export industry. A key aspect of LiveCorp's services is to support exporters to implement new and existing regulation to meet their regulatory requirements. Details on the activities and objectives of LiveCorp are available in its Strategic Plan and Annual Report available on our website, www.livecorp.com.au.

Independent Observer (IO) program

Following a high voyage notifiable mortality incident in 2017, the then Minister for Agriculture and Water Resources introduced the Independent Observer (IO) program in 2018 to immediately increase the transparency and direct oversight of the welfare of livestock on-board export voyages by the regulator. Since the introduction of the IO program, there have been significant reforms implemented across the live export regulatory framework to strengthen the transparency and

assurances provided to the regulator, including changes to data collection and voyage reporting, and the governance and regulatory arrangements in place for Australian Government Accredited Veterinarians (AAVs). However, the IO program has largely remained unchanged.

While LiveCorp recognises the importance of having effective, integrated assurances systems in place within the regulatory framework to support the regulator and provide confidence to the community, it is also crucial that such systems are subject to ongoing review and refinement. Given the significant regulatory reform and industry advancement that has occurred over the past six years ([outlined on the department's website here](#)), we believe there are compelling reasons to revisit and improve the current structure of the program.

It is acknowledged that there was significant scrutiny on the industry and the then Department of Agriculture and Water Resources (the department) following the 2017 high notifiable mortality incident, and that the IO program was introduced rapidly in this politically charged environment. Introducing the IO program under such circumstances did not allow for a best practice policy development approach to be followed, with minimal stakeholder consultation or consideration of practical constraints, costs or alternative approaches, and minimal opportunity to properly integrate it into the wider existing regulatory assurance framework. This can be seen through the initial adoption of a blanket deployment model for IOs, rather than – for example – a risk-based deployment model, and its application to the entire trade despite the incident being isolated to a single exporter. While this blanket approach may have provided the regulator an initial ‘census’ picture of the regulatory compliance environment, the minimal changes to the policy since that time have meant that the inefficiencies and burden of the program have continued to be felt by industry and the regulator.

A key part of any assurance system is also to provide feedback and opportunities for improvement. However, the administrative burden associated with the IO program is such that extensive delays frequently experienced in the publishing of IO reports by the department (currently almost a year) have resulted in missed opportunities for learnings or recommendations from IOs to be fed into regulatory changes or inform subsequent voyages.

It has consistently been a request of industry that the IO program be looked at anew from a best practice regulatory and evidence-based perspective. In particular, it would appear to be reasonable that consideration be given to making the IO program more targeted and based on risk and performance, and better and more clearly integrating it into the wider assurance and audit frameworks (including clarity on its purpose/objectives).

Relevant regulatory and industry improvements

Since the introduction of the program, a comprehensive review of the Australian Standards for the Export of Livestock (ASEL) was undertaken in 2018, leading to the introduction of ASEL 3.0, 3.1, 3.2 and 3.3, that implemented significant reforms for industry. These include decreased on-board stocking densities, increased daily voyage data collection and reporting requirements, and changes to the definition for voyage length and the associated fodder and bedding requirements. Alongside these reforms, industry has continued to work hard to prioritise and improve its animal welfare performance, with livestock export mortality rates the lowest on record, and many voyages achieving zero mortalities. LiveCorp and industry will continue to invest in research and development and other initiatives to inform the future evolution of the regulatory environment (e.g. upcoming ASEL 4.0 review) and drive continuous improvement in animal welfare outcomes.

There is no question in our view that the physical deployment of a government official (IO) onto a vessel is a serious, complex, burdensome and costly method to achieve the assurance outcome required. Through the Industry-Government regulatory reform Roundtable Working Group, improvements to the IO program to balance costs and outcomes was identified as a priority for the industry. A key aspect stemming from that was support for a project that industry wished to undertake to identify possible alternate arrangements that would enable the use of technology to replace or complement physical IOs, while maintaining a similar level of assurance to the current IO program.

Camera trials

In 2022, LiveCorp undertook a project to explore potential technology options that could be utilised as an alternate option to physical IO deployment in a more cost effective and operationally streamlined manner, while also providing the necessary assurances to meet regulatory objectives.

The project trialled the use of police grade body cameras, which the LiveCorp Accredited Stockperson or AAV would wear while tending to the livestock on the vessel. A feature of the cameras was that recordings were permanently stored and could not be deleted.

A key goal of the trials was to understand how the camera technology would operate under voyage conditions, and how these conditions would affect the quality of the footage. A range of cameras were reviewed considering attributes such as likely robustness, video and audio quality and stability, and usability. The cameras selected were then subject to a series of feasibility trials to assess these attributes, and to provide an understanding of the differences in the capabilities of a point in time technology solution compared to a physically deployed IO to support assurance checks. To be successful in the trial, the camera technology had to integrate with the user's routine (i.e. in caring for the livestock) and not significantly hinder it.

When it came to identifying whether the technology would deliver equivalent or close to equivalent assurance, LiveCorp identified a few key factors of relevance. Firstly, that an IO cannot be present in multiple locations at once (although they can – unlike for example a fixed camera – move around the vessel). Secondly, the length of a physical IO deployment significantly exceeds the time necessary to complete the required assurance checks. Thirdly, to be a viable option the cost of a Canberra based individual reviewing the footage would need to be well below the cost of having an IO on-board.

This last consideration in particular was important, as there needed to be clarity as to the expectations and requirements of the department from the footage so the most efficient way of collecting it could be identified. LiveCorp developed instructions for the collection of footage and use of the camera for the trial participants. We also trialled the potential for reducing the need for collection of larger amounts of structured footage by using randomised / unannounced recordings. That is, the department could contact the vessel at an unannounced time during the voyage to direct the Accredited Stockperson or AAV to record footage of their activities on a certain deck and at a certain time.

The outcomes of the trials were reasonably successful, with the technology demonstrating a clear potential and good interest from exporters in continuing if there was a framework and commitment from the department to ensure it would be used in a targeted and cost-effective manner.

The project ultimately stopped because of difficulties in moving from the technology trials to the development of a clear framework to support more advanced tests. This was in part due to the need for IO deployment policy discussions between ALEC and the department to progress, and challenges

in obtaining clarity or acceptance of the differences in the type of assurances that could be provided in moving to a technology approach, rather than having a government employee continuously on a vessel (24 hours a day for up to four weeks).

LiveCorp would welcome the opportunity to show you some footage from the trials and discuss our key learnings.

LIVEXCollect

In 2020, and with the implementation of ASEL 3.0, LiveCorp developed LIVEXCollect in partnership with the department. LIVEXCollect is the mandatory regulatory data collection and reporting system for the livestock export industry. Its introduction facilitated the collection and storage of over several thousand data points per voyage (as per the ASEL reporting requirements) and created standardisation and efficiency for collection and reporting of the data. The additional data now collected by industry provides the regulator with greater insight into the operation and management of livestock on-board in comparison to the previous daily reports. Currently, LIVEXCollect is transitioning from an excel based manual upload program to an online digital platform, offering almost real time data reporting. The new digitally based platform provides the foundation for opportunities such as the ability for users to submit photos, videos or specified alternate information. We understand that currently IOs are required to observe, collect and report very similar data to that required by Accredited Stockpersons and AAVs through LIVEXCollect as part of their regulatory roles and responsibilities on-board. This presents a notable area of duplication and inefficiency of resources. If there is additional reporting that the department would accept as an alternate option to having a physical IO on-board, industry could look at integrating it into the digital LIVEXCollect platform which has the flexibility to accommodate such concepts.

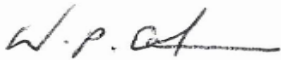
To conclude, we believe it is important to revisit the core purpose of the IO program and develop a regulatory solution that is fit for purpose taking into consideration the substantive industry and regulatory changes implemented since 2018. To summarise, we believe the following would improve the current arrangement:

- **Review the program's ongoing suitability and performance**, taking into consideration the significant amount of industry advancement and regulatory reform. While the program was introduced under heavy scrutiny to immediately increase the transparency and direct oversight of the welfare of livestock on-board export voyages by the regulator, after six years its timely to reevaluate the program.
- **Develop a clear understanding of the program's current performance and its costs and benefits for both the industry and the regulator.**
- **Develop documentation that details the program's background, purpose, objectives and operational guidelines.** We believe that this would significantly assist in engendering a common understanding between industry and the government.
- **Consider implementation of a performance and risk-based approach verses the current structure.** The objective would be to implement an approach that is more in line with best practice regulation that would recognise performance i.e. high performing exporters experience less regulatory burden and costs. Overall, utilising a more targeted regulatory approach would benefit both industry and the government.

- **Better integration of the IO program into the broader live export regulatory assurance framework.** Clearly integrating the program into the wider assurance and audit frameworks in order to provide clarity and confidence to the regulator, industry and wider community.
- **Consider the use of technology as an alternate option to physical IOs** by utilising technology that is already established and available such as body cameras and / or data collection and reporting.

Thank you for taking the time to read our submission. We would welcome the opportunity to meet in person to discuss the above in more detail.

Kind regards,

A handwritten signature in black ink, appearing to read 'W.P. Collier', written over a light grey rectangular background.

Mr Wayne Collier
Chief Executive Officer
Australian Livestock Export Corporation