

The Productivity Commission’s recommendations for improving animal welfare governance in Australia

On 15 November 2016, the Productivity Commission completed its year-long inquiry into the regulation of Australian agriculture. The Commission’s landmark report - [Productivity Commission Inquiry Report No.79 - Regulation of Australian Agriculture](#) - identified animal welfare as a pivotal issue for the future of Australian agriculture and dedicated considerable analysis to the adequacy of current governance and regulatory arrangements for farm animal welfare in Australia.

What is the role for government?

Community concern for animal welfare is continuing to grow. The Productivity Commission found that while good farm animal welfare is generally conducive to on-farm productivity and profitability, there are many instances where welfare and productivity conflict. Figure 1 below depicts the generalised relationship between animal welfare (vertical axis) and productivity.¹ While producers have an incentive to value animal welfare measures that contribute to productivity outputs, the community attaches a value to farm animal welfare that goes beyond basic measures of health and physical functioning.² Animal welfare also encompasses an animal’s psychological state, and the experience of extreme behavioural deprivation due to intensive confinement, or the pain associated with invasive husbandry procedures, compromise welfare. The Productivity Commission found that the role for government was in ‘addressing those instances where farm animal welfare and profitability are not complementary’³ because the market is largely unable to provide society with ‘desired states of welfare’. The key challenge for policy makers in this regard ‘is to determine the level of regulation that weighs up the cost of improved animal welfare against its value to the community.’⁴

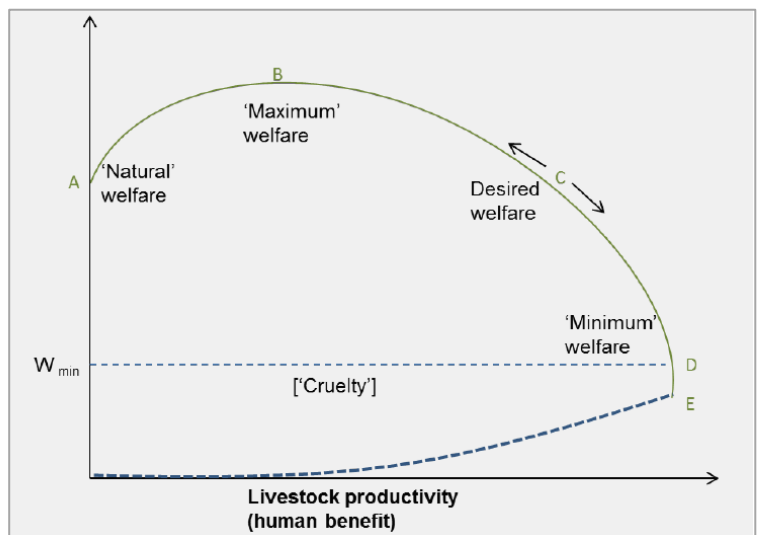
Australians place a value on the welfare of farm animals and expect that farm animals are being treated humanely.

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Problems with the current governance framework

There are currently no advisory or departmental units dedicated to animal welfare at the federal level. In 2013, the Australian Government withdrew funding for the *Australian Animal Welfare Strategy*, removed departmental and administrative structures for animal welfare, and dissolved advisory committees which provided independent advice to the Government. National animal welfare standards are currently developed through an ad hoc process managed by Animal Health Australia, overseen by the Agriculture Ministers Forum. The Productivity Commission identified four key failings of Australia’s current approach to developing animal welfare policy and national standards for livestock welfare. These are:

Figure 1 Relationship between productivity and welfare



1. Lack of independence and transparency

The Commission noted that a disproportionate level of influence was exerted by livestock industries in the development of national farm animal welfare standards and that there was a lack of transparency around key decision-making processes. In reviewing the current process for developing the national standards for the welfare of poultry, the Commission found that ‘any majority decision will be strongly influenced by the composition of the [stakeholder advisory] group, the majority of which represent the poultry industry.’⁵ Similarly, the Commission noted that the cost/benefit decision not to require the provision of pain relief during the mulesing of sheep was made by a stakeholder group dominated by industry representatives.⁶ The Commission also took issue with the lack of publicly available information regarding key policy decisions including the decision to exclude the issue of unstunned (religious) slaughter from consideration in developing the national *Standards and Guidelines for the Welfare of Livestock at Slaughtering Establishments*.⁷

2. Failure to properly consider community values and expectations

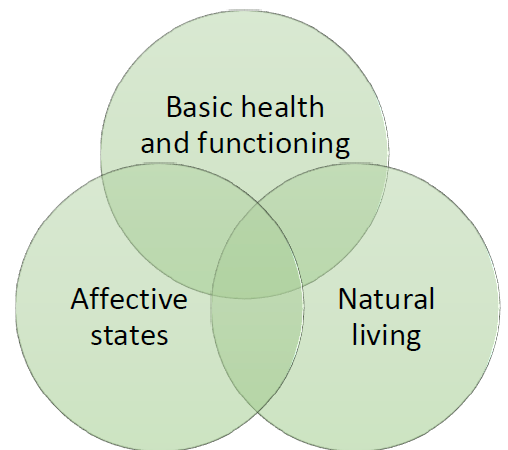
The Commission found that there was no formal mechanism for assessing community values and attitudes towards animals to inform the policy and standards development process. It noted that formal public consultation periods during the regulatory impact assessment were currently the only means of attempting to gauge community expectations regarding specific animal welfare issues, but no further ‘targeted surveys or additional research to assess the benefits of animal welfare to the community’ were utilised.⁸ The Commission pointed to several examples of standard-setting processes where it believed the interests of the broader community were not adequately considered, including in the development of national welfare standards for poultry,⁹ sheep,¹⁰ and livestock at slaughtering establishments.¹¹ The Commission found there was significant scope for ‘community values to play a more prominent role’ in standard-setting processes and that ‘it is essential that a broad spectrum of consumers and members of the community are able to participate in the process.’¹²

The standard setting process does not adequately value the benefits of animal welfare to the community. p.199

3. Lack of scientific basis

The Commission identified problems with the scientific basis of the standards. It noted that there are different concepts in animal welfare science (see Figure 2) which prioritise different measures. This can lead to the adoption of different methodologies and interpretations of scientific data. As an example, the Commission pointed to scientific criticism of the evidence used to determine the effects of time-off feed for dairy calves during transport to slaughter. The Commission found that ‘there are large gaps in the scientific evidence base used to inform standards, both in relation to animal welfare science and community values.’¹³ It also canvassed the views of a wide range of stakeholders on the need for an independent animal welfare scientific committee to improve the scientific basis of the standards.¹⁴

Figure 2 Animal welfare concepts



4. Institutional conflicts of interest

A major issue identified by the Commission related to widely held perceptions of conflicts of interest on the part of responsible decision-making institutions including federal, state and territory departments of primary industries and agriculture. The principle objective of such departments is to promote the productivity of the agricultural sector, which can often conflict with goals of improving animal welfare (as depicted in Figure 1 above). The Commission found that ‘animal welfare is likely to be of secondary importance when the primary objective of the agency responsible for livestock welfare is to promote a productive and profitable agricultural sector.’¹⁵

Recommendations for reform - an Australian Commission for Animal Welfare

The Commission considered a number of options for addressing the failings of the current governance framework. It concluded by recommending that the Australian Government establish an independent statutory organisation dedicated to animal welfare in the form of an Australian Commission for Animal Welfare (ACAW).¹⁶ The ACAW would be responsible for improving the scientific rigour of national standard-setting processes and serve to address perceptions of conflicting interests. The Commission recommended that the ACAW be made up by five skills-based commissioners with expertise in the areas of animal welfare science and veterinary science, agricultural science and commercial livestock production, public policy, law and economics, and ethical standards and conduct with respect to farm animals.

Functions

The functions of the ACAW would be to:

- manage the development of national farm animal welfare standards to ensure scientific principles guide the process
- publicly assess the effectiveness of state and territory implementation and enforcement of national farm animal welfare standards
- publicly assess the effectiveness of live export regulation
- commission necessary animal welfare research
- promote public understanding of farm animal welfare issues and disseminate information on best-practice husbandry and management.

An independent body is the best option for delivering balanced farm animal welfare standards and outcomes for the benefit of the Australian community & the agriculture sector.

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Benefits

The Productivity Commission found that there were many benefits to be gained for government, industry, and the Australian community through the establishment of an ACAW. These include:

- greater national consistency in animal welfare standards and regulations thereby reducing cost for business
- increased consumer and community confidence in government and livestock industries
- a more proactive approach to regulation - rather than reactive to incidents of mistreatment - helping to ensure the long-term sustainability of livestock industries
- a more collaborative and less antagonistic approach to standard setting between stakeholders
- access to a source of excellence in policy advice on animal welfare.

The Productivity Commission emphasised that an ‘ACAW would not result in a duplication of current regulatory processes or necessarily result in an increase in regulation,’ rather, it would ‘replace (and improve upon) the national structure that is already in place for developing standards and guidelines.’¹⁷ The main costs of the ACAW would be administrative and need not be more expensive than current arrangements under a shared services agreement with another appropriate government body.¹⁸

Endnotes

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| ¹ p.203 | ⁴ p.199 | ⁷ p.218 | ¹⁰ p.220 | ¹³ p.228 | ¹⁶ p.236 |
| ² p.204 | ⁵ p.218 | ⁸ p.219 | ¹¹ p.218 | ¹⁴ p.227 | ¹⁷ p.232 |
| ³ p.205 | ⁶ p.220 | ⁹ p.218 | ¹² p.223 | ¹⁵ p.224 | ¹⁸ p.232 |