



Australia trade deal: impact on animal welfare standards in UK

Ensuring animals have a good life by advocating on their behalf

On 15 June 2021 the Governments of the UK and Australia signed an Agreement in Principle (AiP) on trading arrangements. Some details have been announced but the full text is not expected to be released until the autumn. Agreeing trade deals without tariff and non-tariff protection would undercut UK producers that are producing to higher standards, potentially putting them out of business and leading to a race to the bottom. It also fuels unsustainable agriculture practices, in contravention to the G7 Carbis Bay goals set in 2021¹.

The UK has over 40 specific animal health and welfare standards set out in legislation. The Government has a manifesto commitment not to lower such standards in any Free Trade Agreements (FTAs) and the Department of International Trade (DiT) has confirmed that it would not lower food, animal welfare or environmental standards after the UK left the EU and that, when undertaking trade deals, any imported product would have to meet UK standards². The RSPCA supports these goals.

The UK has higher legal animal welfare standards than Australia, which has been scored as B for animal welfare and E for farm standards compared to the UK scored as B and D respectively³. There are cost differentials in production methods, primarily due to increased costs in labour, land and feed.

What is the process of agreeing an FTA?

Parliament has no oversight of the negotiations or a role in ratifying any trade agreements. This lack of transparency and oversight has been criticised by various Select Committees⁴. The Government publishes its negotiating mandate, does not update Parliament on progress on the negotiations and does not allow Parliament to ratify the FTA. This is in contrast to jurisdictions such as the USA and the EU where there is a ratification process for the Parliaments.

In 2021 the UK Government agreed in the Trade Act 2021 that any existing FTAs must be consistent with UK animal welfare standards, however this does not apply to future FTAs. The Government also agreed in that legislation that they would establish a Trade and Agriculture Commission (TAC) to monitor and give independent advice to Parliament on future FTAs. The TAC has yet to be established three months after the interim body was disbanded.

The report from the Interim TAC set up 22 recommendations for the Government to undertake in future trade policy including implementing conditional liberalisation in trade agreements. This would mean the Government could only agree trade liberalisation in a FTA should the standards between the two countries be equivalent. The Government has yet to respond to these recommendations. Under the Trade Act 2021 the Secretary of State for Trade has to give a report to Parliament showing how a FTA does not undermine animal welfare standards but crucially this only applies when the FTA is presented to Parliament, expected to be in the autumn.

What should be in the FTA?

The RSPCA has advocated that tariffs should not be reduced unless there is language on equivalence or conditionality as part of the new Tariff Rate Quotas (TRQs). We have also proposed that there should be language on improving cooperation on animal welfare in an animal welfare chapter in the FTA. This chapter should also include reference to animals as sentient beings, the link between good animal welfare and sustainable food production, and contain language on reducing antimicrobial use and respect for each country's labelling systems, so permitting mandatory method of production labelling on imported goods without prior approval.

What is actually in the FTA?

The RSPCA is pleased to see that the following have been included in the AiP:

¹ <https://www.g7uk.org/wp-content/uploads/2021/06/Carbis-Bay-G7-Summit-Communique-PDF-430KB-25-pages-3-1.pdf>

² Secretary of State DiT NCDeb c943 20 June 2020

³ <https://api.worldanimalprotection.org/>

⁴ <https://publications.parliament.uk/pa/cm201719/cmselect/cmintrade/1043/1043.pdf>

For further information or if you have any questions please contact: politicalaffairs@rspca.org.uk

- **SPS issues:** The FTA permits recognition of each other's SPS measures - this means the legislation on beef hormone, chlorine chickens will not change. This is positive as is the commitment by the UK Government to audit and monitor how Australia will separate hormone and non-hormone beef for export.
- **Slaughter:** the UK Government has confirmed it will approve slaughterhouses in Australia to ensure that the standards are equivalent to the UK's and ensure the import ban on meat not slaughtered to UK standards will continue⁵.
- **Animal welfare Chapter:** the FTA has a stand alone chapter on animal welfare and antimicrobial resistance, placed outside the SPS chapter. Provisions in the chapter cover commitments including affirmation of the UK's right to regulate on animal welfare and the right to establish its own policies and priorities for the protection of animal welfare. Provisions on cooperation in international fora to promote development of the best possible animal welfare practices and setting up an animal welfare working group to promote high animal welfare practices are also welcome.
- **Animal welfare standards:** there is language on non-regression of standards but there is no language on providing access to products on conditionality of standards. Until we see the text it is difficult to assess what impact this language has on maintaining UK standards. When it comes to labour and environmental standards, non-regression and non-derogation clauses usually commit the parties not to derogate from or lower their standards in order to attract trade or investments. If this is the model used for animal welfare, while harmless, it would not be very impactful considering how low Australian standards are, as well as the difficulty to demonstrate the trade impact of a change in standards.

The RSPCA is concerned at the lack of text on equivalence or conditionality of standards in the following sensitive sectors where standards are different between Australia and the UK:

Beef

- Around 4% of Australian beef cattle are produced in feedlots⁶, a system of zero grazing that does not occur in the UK.
- Transport laws are being reviewed in Great Britain but at present there is a maximum journey time of 24 hours for beef cattle before a 24-hour rest. In Australia beef cattle can be transported for up to 48 hours without food and water.

Trade implications

The agreed 15 year phase out of tariffs in the AiP could dramatically increase Australian beef exports. In 2022, for instance, a tariff free quota of 35,000 tonnes is permitted, 60 times that which Australia exported to the UK in 2020. This increases to 110,000 tonnes in 2032. There appears to be no conditionality on this TRQ. It is unclear if this tariff reduction only applies to higher welfare meat and how the UK will assess that the Australian beef standards are equivalent to the UK's when Australia's transport, slaughter and production methods are all set at lower standards to the UK.

Sheep

- Australia permits the mulesing of sheep, a mutilation that is prohibited in the UK. Mulesing consists in farmers removing strips of the sheep's skin located near the buttocks in order to prevent the infection of the animal by specific flies. This is a particular problem for Merino sheep used to produce wool.
- Despite a commitment to phase out mulesing in Australia by 2012, in 2020 44% of all sheep are still mulesed without anesthetic and an additional 40% with pain relief⁷.

Trade implications

The agreed 15 year phase out of tariffs in the AiP could dramatically increase Australian sheep exports. In 2022, for instance, a tariff free quota of 25,000 tonnes is permitted, 4 times what Australia exported to the UK in 2020. This increases to 75,000 tonnes in 2032. There appears to be no conditionality on this TRQ. It is unclear if this tariff reduction only applies to higher welfare meat and how the UK will assess that the Australian sheep standards are equivalent to the UK's when Australia's transport, slaughter and production methods are all set at lower standards to the UK.

Laying hens

⁵ Schedule 5 of The Welfare of Animals at the Time of Killing (England) Regulations 2015

⁶ <https://www.feedlots.com.au/fag>

⁷ <https://kb.rspca.org.au/knowledge-base/why-is-it-important-to-declare-mulesing-status-on-the-national-wool-declaration/> wool auctions 2020/1

For further information or if you have any questions please contact: politicalaffairs@rspca.org.uk

- The UK has the largest free range flock compared to the EU-27, over 75% of the flock being free range production. This figure is expected to rise as some retailers that are not yet cage-free move to free range for their shell egg supply by 2024.
- RSPCA Assured, the RSPCA's farm assurance scheme and ethical food label, covers around 90% of free range sales and around 73% of the UK flock.
- Australia has a baseline stocking density of 550sq cm per hen (cage) compared to the UK's 750sq cm per hen.
- 39% of the Australian flock is free range compared to 57% in the UK.
- The UK has a mandatory method of production labelling scheme on shell eggs which does not exist in Australia.

Trade implications

The UK's current tariffs are around 30-40% for dried and liquid eggs. Whilst dried and liquid eggs can be easily traded, Australia's geographic distance means these exports would probably not be competitive. Australia currently only exports around 1% of egg production. However if the MFN egg tariff is reduced it should only be on eggs from standards equivalent to those in the UK. The EU has already successfully used this approach on eggs in the EU-Mercosur FTA⁸.

Recommendations

The RSPCA recommends that the UK Government should urgently take the following steps:

1. Establish the Trade and Agriculture Commission as a matter of urgency to review the AiP
2. Confirm that, in the FTA, Australia will only be offered the agreed tariff lines if there is conditional liberalisation in the TRQ
3. Make available their Impact Assessment as to how the lower tariff for imports of beef, and sheep will affect UK beef and lamb producers particularly including a risk analysis of the impact of these tariffs on UK animal welfare standards

⁸ https://ec.europa.eu/trade/policy/in-focus/eu-mercosur-association-agreement/index_en.htm

For further information or if you have any questions please contact: politicalaffairs@rspca.org.uk