



# Australia trade deal: impact on animal welfare standards in UK

*Ensuring animals have a good life by advocating on their behalf*

On December 17 2021 the UK and Australian Governments signed a Free Trade Agreement (FTA); on 31 March 2020 the Trade and Agriculture Commission (TAC) produced their report on the impacts on UK's farm animal welfare standards. This briefing analyses the FTA's influence on maintaining our higher animal welfare standards and the TAC's view. The UK has over 40 specific legal animal health and welfare standards, around half being farm standards. The UK Government has a manifesto commitment not to lower such standards in any Free Trade Agreements (FTAs); the Department of International Trade (DIT) confirmed that any imported product would meet UK standards<sup>1</sup>. The RSPCA supports these goals.

## What are the differences in welfare standards between Australia and the UK?

UK nations have higher legal animal welfare standards than Australia, which scored B for animal welfare overall and E for farm standards; the UK scored B and D respectively<sup>2</sup>. Australian farming still permits the following standards which are all illegal in the UK:

- Long distance transport of cattle and sheep up to 48 hours compared to 29 in the UK (with a proposal to reduce further to 21 hours in 2022);
- Certain farm mutilations such as hot branding of cattle and mulesing of sheep in the lamb sector;
- Use of growth promoters such as hormones in beef production (around 20% of the cattle herd);
- Use of the conventional battery cages for laying hens 58% of UK production is free range compared to 40% in Australia) and the sow stall system in pig production, banned since 1991 in the UK;
- Cattle production on feedlots (round 4% of cattle are on barren feedlots not currently seen in the UK)
- Permits the use of animal testing for cosmetics ingredients and use of data from toxicity testing for new cosmetics' products.

There are cost differentials in production methods, primarily due to increased costs in labour, land and feed in the UK. Agreeing trade deals by relaxing tariff and non-tariff protection without any conditionality on standards 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 may also lead to UK consumption of products that fuel practices that the consumers do not support.

## What should be in the FTA?

The RSPCA agrees with the Interim TAC that MFN tariffs should not be reduced unless there is language on equivalence or conditionality as part of the new Tariff Rate Quotas (TRQs). There is no language on conditionality and the UK seems to have ruled this out in any FTA.

## What is in the FTA?

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

- SPS issues: we welcome that the UK has not decided as a result of negotiations to amend the rules on growth-promoting hormones and that any imports must comply with our existing SPS standards<sup>3</sup>. So the current bans on imports of beef from cattle treated with growth-promoting hormones or milk from cows treated with BST will continue. However the FTA only states that any SPS measures will be based on science. In 1998 the UK, as part of the EU, lost its case at the WTO to maintain its import ban on beef from cattle treated with growth-promoting hormones so this ban is not seen as scientific by the WTO under trade rules. The SPS Chapter also recognises equivalence of standards if the other country can show its to achieve an appropriate level of protection.

<sup>1</sup> Secretary of State DIT NCDeb c943 20 June 2020

<sup>2</sup> <https://api.worldanimalprotection.org/>

<sup>3</sup> <https://www.gov.uk/government/publications/uk-australia-fta-summary-of-chapters/uk-australia-free-trade-agreement-chapter-explainers>

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- Slaughter: the UK Government will approve slaughterhouses in Australia to ensure that the standards are equivalent to the UK's and the import ban on meat not slaughtered to UK standards continues.<sup>4</sup>
- Animal welfare Chapter: the FTA has a standalone chapter on animal welfare and antimicrobial resistance, placed outside the SPS chapter. Provisions in the chapter include recognising animals as sentient beings, recognising the links between sustainable agriculture and farm animal welfare, improving cooperation between the UK and Australia on animal welfare issues and ensuring that neither country lowers its welfare standards to gain a trade advantage. It is the first Animal Welfare Chapter to contain non regression language on animal welfare standards. However, whilst it is good to get non derogation and non regression language in a FTA this commits the parties not to derogate from or lower their standards in order to attract trade or investments although this is very hard to prove.

What has not been included:

- Conditionality on animal welfare standards: the language on non regression and non derogation from standards is overridden by the reduction in tariffs on beef and lamb as there is no language on providing access to these products based on conditionality of standards. As there is no conditionality put on imports of beef or lamb from Australia products will be imported that are produced below UK standards (see Table). FTAs are negotiated to last and as the UK is already looking to raise its standards in areas such as live transport and chicken/pig farming the gap in standards will undoubtedly widen in the future.

### What did the TAC Report say?

The TAC report analysed the extent to which measures in the FTA are consistent with the UK maintaining its current levels of protection for animal welfare. It did this by assessing each of the standards against three criteria: the difference in standards and any cost implications, the impact of the trade on those standards from the FTA and any protections that the UK could utilise in the FTA.

Table 1 TAC assessment of 5 animal welfare measures and 3 animal health measures against its three indices

Measure	Difference in standards	Cost implications	Trade influence of FTA	Protective measures
Hot branding cattle	√	X	X	UK has provisions in FTA to invoke Article XXa defences which permit trade measures to be used for animal welfare reasons
Long distance transport	√	X	X - cattle exported to UK have similar transport times	
Feedlots	X Space same but feedlots 0 grazing in Australia and grain based diets can lead to digestive issues	√	√	
Mulesing	√	X	X - wool comes in under 0 tariffs	
CCTV and slaughter	X CCTV only in England	X	√	
Animal health standards: beef-hormone	√	√	X	
Animal health: GMO	√	√	x	Labelling of products
Animal health: anti microbials	√	√	X	
Cosmetics testing and labelling	√	√	√	TAC did not consider as not agriculture

<sup>4</sup> Schedule 5 of The Welfare of Animals at the Time of Killing (England) Regulations 2015

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The RSPCA agrees with the TAC conclusions that the measures will not result in a change in legal levels but believes the trade could still undermine those same standards. We also believe that much of the defence given by the TAC is for the UK to use Article XXa on public morals to justify any trade measure the UK may put in place. These could include labelling or even an import ban on those products where there is a trade influence due to standards (eg transport, feedlots) if, in future, trade levels result in UK standards being undercut. The UK has not given any indication it would use such measures.

**What impact does the FTA have on devolved nations?** Trade is reserved whereas animal welfare is devolved. The Welsh Government has a "constructive" relationship with the Department for International Trade and an "opportunity to comment on the mandates in areas of devolved competence"<sup>5</sup>. However, there is no approval mechanism on FTAs for devolved administrations, or devolved Parliaments. There is no mechanism under the Common Frameworks Agreements for devolved nations to give any input to the negotiations. The Australia deal could negatively impact Welsh sheep hill farmers or Scottish beef farmers disproportionately.

## Implications for sensitive UK markets

### Beef Trade

The agreed 15 year phase out of tariffs could dramatically increase Australian beef exports. In 2022, for instance, a tariff free quota of 35,000 tonnes is permitted, 60 times the amount Australia exported to the UK in 2020. This increases to 110,000 tonnes in 2032. However the impact depends on whether Australia is able to fulfill its TRQ. Most of Australia's beef already goes to China and the Middle East and in previous years Australia has not managed to fulfill its existing TRQ, which is presently under 4,000 tonnes. It is however a poor model for future FTAs, given the lack of conditionality and lower animal welfare standards in Australia.

### Sheep Trade

The agreed 15 year phase out of tariffs could dramatically increase Australian sheep exports. In 2022, for instance, a tariff free quota of 25,000 tonnes is permitted, four times the amount Australia exported to the UK in 2020. This increases to 75,000 tonnes in 2032. As there is no conditionality on this TRQ it will allow in meat from animals produced under systems illegal in the UK. However the impact depends on whether Australia is able to fulfill its TRQ. Most of Australia's lamb already goes to China and the Middle East and in previous years Australia has not managed to fill its existing TRQ, which is presently 19,000 tonnes.

## Did the UK meet their objectives in the FTA?

The UK's stated negotiating objectives relevant to animal welfare were:

- To strengthen research and cooperation;
- To futureproof the agreement in line with the Government's ambition on climate change;
- To not compromise on high animal welfare or food safety standards<sup>6</sup>;
- To secure broad liberalisation of tariffs on a mutually beneficial basis, taking into account UK product sensitivities, in particular for UK agriculture;
- To uphold the UK's high levels of public, animal, and plant health, including food safety.

Measured against these objectives the UK has met the objectives on strengthening research and cooperation in animal welfare and has met the objective to uphold the UK's high levels of animal health and not compromise on food safety standards. The UK has not met the objective of securing broad liberalisations on agriculture whilst taking into account product sensitivities as it has permitted the import of products not produced to UK animal welfare standards on beef and lamb. Its impact on UK's animal welfare standards depends on if Australia fills its quota. However as a first FTA it does not provide a good model for liberalising whilst taking into account UK sensitive products in future FTAs. The UK has also not met the objective of future proofing the agreement in line with its ambition on climate change. The FTA permits the import of beef produced on cleared forest which has a direct impact on climate change. The FTA also does not contain any detailed commitment to the Paris Agreement, merely affirming countries commitments to combat

<sup>5</sup> Welsh Government, Inter-institutional relations agreement between the National Assembly for Wales and the Welsh Government: annual report 2019 to 2020, 2 February 2021

<sup>6</sup><https://www.gov.uk/government/publications/uks-approach-to-negotiating-a-free-trade-agreement-with-australia/uk-australia-free-trade-agreement-the-uks-strategic-approach>

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climate change (Article 22.5) rather than set specific targets for both countries to meet. The Australian Government said they had successfully removed these specific targets from the FTA<sup>7</sup>.

### **Australia as a future FTA model**

As a model, this FTA sends out the wrong message to other countries such as India, Canada and Mexico ahead of future negotiations, all of whom will be trying to open up the UK markets for their products produced to lower standards and particularly for sensitive products such as eggs, pigmeat and chicken meat. All these countries are geographically closer to the UK than Australia so their ability to undercut the UK's standards will be greater. All use production methods illegal in the UK such as use of the conventional battery cage in India and Mexico, use of sow stalls in Canada and Mexico and all want to increase exports of these products in any trade deal. All will be looking to replicate the UK-Australia deal by reducing tariffs in sensitive products without conditionality to animal welfare standards.

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<sup>7</sup> <https://abcnews.go.com/International/wireStory/australia-climate-goals-uk-free-trade-deal-79911886>

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