

THE NATION

SMH 10/6/11

Industry was too slow to act, says Gillard

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PRESSURE on the federal government to compensate stranded cattle graziers increased yesterday as it emerged some live trade to Indonesia could be resumed within weeks.

With graziers across Australia's north left in limbo by the snap decision to suspend all cattle exports to Indonesia for up to six months, the Queensland Premier, Anna Bligh, joined the Western Australian government and the cattle industry in calling for assistance.

"I do think there is discussion

to be had with the federal government about ensuring that these farmers and these producers are not left in the lurch," she said.

While the government is not ruling out compensation - which may range from wage subsidies, transport costs or covering losses on stock already paid for - the Prime Minister, Julia Gillard, said the industry representatives must bear responsibility for being slow to act.

The industry group, the Meat and Livestock Corporation, is being attacked by all parties in the dispute because it failed to monitor adequately and address standards in Indonesian slaught-

erhouses. Ms Gillard said the government had "been in dialogue with the industry for some time now about animal welfare concerns".

She said the Agriculture Minister, Joe Ludwig, wrote to the industry in January seeking a plan to improve the handling of the cattle.

"In March and in May further plans were sent back by industry but they weren't up to scratch," she said.

The industry, some graziers and the federal opposition have attacked the blanket suspension, saying exports should have been allowed to continue to

between five and 25 abattoirs that had acceptable standards.

But Ms Gillard said the industry was unable to guarantee that cattle sent only to those abattoirs would not end up in other abattoirs.

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"What we want is supply chain assurance, which ... means that we know where Australian cattle are going so we can track the conditions in which they are being dealt with in Indonesia,"

she said. "I understand the urgency of this."

Sources told the *Herald* last night that the trade could be phased back in quickly if assurances could be given that cattle would only be sent to the acceptable abattoirs.

The NSW Farmers' Association wrote to Ms Gillard and all NSW federal MPs urging them to allow exports to the accredited abattoirs straight away.

"We don't support the federal government's decision to stop the entire live export trade to Indonesia, however we would support a ban on providing Australian cattle to unaccredited

abattoirs," it said. The suspension heads off a backbench revolt next week when the caucus was to pass a motion calling for the immediate halt to all cattle exports to Indonesia.

The sponsor of that motion, the NSW MP Janelle Saffin, said while it was unlikely that the motion would go ahead, the atmosphere was ripe to raise broader concerns about the entire live export industry.

Ms Saffin, who once worked in an abattoir, said she did not like live exports but the industry was well established and efforts should be focused on lifting standards across the board.

CATTLE

Live export ban 'devastating' for NT

FIN Review 10/6/11

Philip Wen

THE chief executive of Australia's largest cattle producer says an urgent resumption of live exports to Indonesia is needed to prevent the "implosion" of remote communities in the Northern Territory reliant on cattle farming.

David Farley, of Australia Agricultural Company (AAco), said the ban had potentially "psychologically devastating" effects on isolated communities that relied on the cattle trade as their predominant source of income, but were now left "trying to work out what to do next".

"The consequences if this drags on for any period of time will be the implosion of people's businesses in the north, and the implosion of societies in the north," Mr Farley said.

"There are family operations, there are indigenous operations,

'There are townships and communities that are totally reliant on this business.'

David Farley, AAco

there are townships and communities that are totally reliant on this business. We're talking about people in communities in remote isolated areas ... who have one cash flow a year."

The Prime Minister, Julia Gillard, has given no indication on whether affected farmers and companies will receive compensation for lost income, stressing the government's focus is on delivering a speedy resolution to the problem.

Mr Farley said the ban also had the potential to severely disrupt food supply in Indonesia, but he remained supportive of it, insisting drastic action was required for the industry to get its act together.

"The barbarity of the actions in Indonesia is indefensible," he said. "Sometimes it takes an action of enormous proportion to get the Indonesians focused [and] get our industry focused."

The industry and the government were working together to urgently put in place practices to ensure animal welfare in Indonesian abattoirs, including the introduction of stun guns as used in Australian abattoirs, and adequate training of cattle handlers, Mr Farley said.

"What we're really focusing on is the last few minutes of the animal's life," he said.

Mr Farley said the lengthier the

delay, the more likely Indonesia - which accounts for 60 per cent of Australia's cattle exports - would seek alternative supply, most likely from South America.

"Other countries do not invest in animal welfare in other countries," he said. "You'll put animal welfare in Indonesia into a downward spiral."

AAco said yesterday that the export ban was likely to lower its full-year earnings to between \$50 million and \$60 million, compared with previous guidance of between \$60 million and \$65 million. AAco's shares emerged from a trading halt yesterday, closing nearly 2 per cent lower at \$1.40.

Part of the earnings downgrade was due to the cost of a revamp of AAco's Indonesian operations to a "closed loop system", where company staff would oversee operations throughout the supply chain.