

# Impact Analysis Statement

## Summary IAS

### Details

<b>Lead department</b>	Department of Agriculture and Fisheries
<b>Name of the proposal</b>	Code of practice for horses at livestock slaughter facilities
<b>Submission type</b> ( <i>Summary IAS / Consultation IAS / Decision IAS</i> )	Summary IAS
<b>Title of related legislative or regulatory instrument</b>	Animal Care and Protection Regulation 2023
<b>Date of issue</b>	November 2023

### What is the nature, size and scope of the problem? What are the objectives of government action?

In 2019, following the broadcast of a story on a national television program about the wastage of retired racehorses and the welfare and management of retired racehorses at a Queensland slaughter facility, the Queensland Government set up an independent inquiry (the Martin Inquiry) into animal cruelty in the management of retired Thoroughbred and Standardbred horses at Queensland abattoirs and knackeries including regulatory oversight arrangements. The inquiry's final report made several findings concerning the operation of facilities which slaughter horses in Queensland and the enforcement of existing legal requirements at these facilities. (<https://www.publications.qld.gov.au/dataset/58ac2d90-c87b-42ab-b91c-413050cdd33d/resource/be9739b1-d952-4b73-81af-92cbcf414c7f/download/independent-inquiry-into-equine-welfare-final.pdf>)

One of the recommendations (10.2.1) from the final report was for the Department of Agriculture and Fisheries, under the guidance of an expert panel to urgently develop a compulsory Queensland Code of Practice for Horses Processed at Slaughter Establishments, to ensure best practice for the humane treatment of horses from arrival to their death.

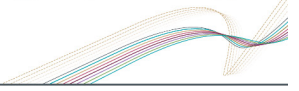
In Queensland, there is an export accredited abattoir (Meramist Pty Ltd, Caboolture), which slaughters up to 1 500 horses for human consumption each year. The abattoir is currently the only one in Australia processing and exporting horse meat and meat products. Meramist is primarily a cattle abattoir, and horses represent only a small proportion of their business.

In 2020, it was reported that Australia exported \$2.55M AUD in horse meat and was ranked 18th largest exporter of horse meat (<https://oec.world/en/profile/bilateral-product/horse-meat/reporter/aus>)

The main horse meat export destinations were Belgium (\$1.02M), Switzerland (\$768k), Russia (\$714k), France (\$45.2k) and Luxembourg (\$2.03k).

In 2021, Australia exported \$1.46M AUD in horse meat to Belgium, Switzerland, Russia and France.

There is also a knackery (Rathdowney Knackery, Rathdowney) which slaughters small numbers of horses (approx. 8 – 10 per week), on an intermittent basis, for pet food and meat to be used in pest animal baiting programs.



The current regulatory framework for the oversight of animal welfare in Queensland livestock slaughter establishments includes state and commonwealth legislation as well as other standards and guidelines.

The *Animal Care and Protection Act 2001* (the Act) is the principal legislation that regulates the welfare of animals in Queensland. One of the purposes of the Act is to provide standards of care that achieve an appropriate balance between the welfare of animals and interests of persons whose livelihood is dependent on animals. The Act promotes responsible treatment of animals by imposing a duty of care on all people or organisations in charge, or having custody, of an animal, to take all reasonable measures to ensure their proper care and protection.

The Model Code of Practice for the Welfare of Animals - Livestock at Slaughtering Establishments (the Model Code) is adopted as a voluntary code under the Act. The Model Code was published in 2002 and developed as a Model Code of Practice for all states and territories to adopt into legislation. The Model Code is intended to apply to all people at slaughtering establishments (abattoirs and knackeries) including truck drivers, stockmen, slaughtering staff, inspectors and veterinarians. There are limited non-compulsory provisions in the Code relating to the handling of horses in establishments. They include:

- use of a head collar or bridle to enable a horse to be restrained by an assistant
- use of blindfolds for restless animals
- use of electric prods on unloading
- stunning with a penetrative captive bolt or by shooting
- positioning of captive bolt pistol or firearm
- width of stunning boxes
- when mares with foals at foot are brought to a knackery, and
- use of dogs is not recommended for horses.

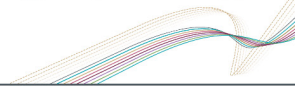
The Australian Government, through the Department of Agriculture, Fisheries and Forestry also sets animal welfare and food safety standards for export abattoirs. Under the *Export Control Act 1982* (Cth) and Order 32 of the *Export Control (Meat and Meat Products) Orders 2005* (Cth), export abattoirs are bound to comply with AS 4696 *Australian Standard for the Hygienic Production and Transportation of Meat and Meat Products for Human Consumption* (Australian Meat Standard), and an importing country's requirements.

Export abattoirs are required to develop, implement and maintain an "approved arrangement" which, amongst other things, must demonstrate how their practices will meet animal welfare obligations under the Australian Meat Standard, and the importing country requirements.

The Australian Meat Standard is intended to apply in addition to other requirements under commonwealth, state and territory legislation. The prime objective of the Australian Meat Standard is to 'ensure meat and meat products for human consumption comply with food safety requirements and are wholesome'.

Chapter 7 of the Australian Meat Standard contains the minimum standards for the welfare of animals at abattoirs. The Australian Meat Standard requires animals to be handled at an establishment in a way that minimises the risk of injury, pain and suffering and causes the least practicable disturbance to them, and the premises and equipment must be used in a way and be maintained in a condition that minimises risk of injury, pain and suffering to animals and causes them the least practicable disturbance.

In particular, under the Australian Meat Standard, animals are to be slaughtered in a way that prevents unnecessary injury, pain and suffering and requires special provision for the handling and slaughter of animals of a species that is particularly susceptible to stress. However, there is no species-specific guidance as to how animals, which are susceptible to stress, should be managed.



The Australian Meat Standard provides that before “sticking” (i.e. the severance of the major blood vessels in the upper neck by a transverse cut, or at the chest inlet to cause bleeding out) commences, animals are to be stunned in a way that ensures the animals are unconscious and insensible to pain and do not regain consciousness or sensibility before dying. There is a requirement for animals to be restrained in a way that ensures stunning is effective but there is no detail as to how this could be achieved.

The Australian Meat Industry Council, the industry peak body representing livestock processors and independent retailers, developed the Australian Livestock Processing Industry Animal Welfare Certification Scheme (AAWCS).

AAWCS is an independently audited certification program used by livestock processors to demonstrate compliance with the industry best practice animal welfare standards, from unloading of livestock to the point of processing.

The AAWCS Rules require compliance with the *Industry Animal Welfare Standards for Livestock Processing Establishments Preparing Meat for Human Consumption* (IAWS). The IAWS for livestock processing establishments define animal welfare standards for incorporation into relevant industry quality assurance programs and approved arrangements. These are voluntary standards for establishments that cover the welfare of animals at abattoirs but not knackeries.

AUS-MEAT Ltd conducts annual animal welfare audits against the standards at slaughter establishments which have voluntarily joined the AAWCS. The federal Department of Agriculture accepts animal welfare programs at slaughter establishments that are certified by AUS-MEAT and reduce the audit scope for animal welfare for its monthly and six-monthly audit programs. The European Union also recognises these standards as meeting its animal welfare requirements. Meramist Pty Ltd is understood to be certified under the AAWCS.

It should also be noted that if a Queensland abattoir exports horse meat to the European Union it is also required to comply with obligations established under the European Union Council Regulation No. 1099/2009 (the EU Council Regulation). The EU Council Regulation came into effect on 1 January 2013 and prescribes a number of animal welfare requirements, which all European Union listed establishments must comply. Structural, non-structural and staff competency and training requirements are imposed under the EU Council Regulation.

The Martin Inquiry found that the current regulatory oversight arrangements were (i) complex (both commonwealth and state legislation apply), (ii) there was a lack of co-ordination between the respective commonwealth and state agencies and (iii) the current *Model Code of Practice for the Welfare of Livestock at Slaughter Establishments* (the Code) is inadequate as it relies upon voluntary compliance and there is no direct consequence for breaching the Code. Furthermore, the Code fails to address the special needs of horses at slaughter establishments. The welfare provisions of the *Australian Meat Standard* were found to be limited and dated and don't recognise the special needs of horses.

### **Martin Inquiry findings and Queensland Government response**

The Martin Inquiry found that:

- the Model Code of Practice for the Welfare of Animals: Livestock at Slaughtering Establishments is voluntary and outdated, but most importantly, it fails to provide for appropriate establishment design to achieve humane slaughter of horses (finding 10a)
- poor design of slaughter establishments, inappropriate handling of horses such as using loud noises to move horses, allowing horses to see and hear other horses being stunned or shot and smell blood immediately before slaughter, are all factors that lead to poor welfare outcomes for horses and are not prevented under current legislation (finding 10b)

- the Australian Meat Standard is outdated and has limited specific welfare provisions for horses (finding 10d)
- the proposed new Australian Animal Welfare Standards and Guidelines for Livestock at Processing Establishments are still in draft stage with no date for completion (finding 10e). Also, having noted the lack of progress on the review of the Model Code, the Martin Inquiry also found that awaiting the completion of that review would mean many thousands more horses would be slaughtered inhumanely (finding 14b)
- whilst on-farm euthanasia is an ideal end of life outcome, the number of horses, currently, are too high, the size of Queensland too vast, the number of veterinarians too few and the cost of euthanasia and burial too great, to expect that it would be the total answer. Therefore, the Inquiry finds that the risk of poor welfare outcomes for retired racing horses is too great if their humane slaughter is removed as an option entirely.

The Martin Inquiry therefore recommended that the Department of Agriculture and Fisheries, under the guidance of an expert panel to urgently develop a compulsory Queensland Code of Practice for Horses Processed at Slaughter Establishments (the Code of Practice), to ensure best practice for the humane treatment of horses from arrival to their death (Finding 10.2.1).

In its response to the Martin Inquiry recommendation 10.2.1, the Queensland Government flagged its intention to influence and actively support the national development and implementation of the Australian Animal Welfare Standards and Guidelines for Livestock at Processing Facilities to ensure the humane treatment not only of horses but all species at processing facilities. However, the Government added a proviso that if timely national agreement cannot be reached then Queensland would consider independently making its own Code of Practice.

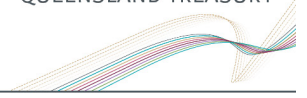
DAF is currently leading, on behalf of the national Animal Welfare Task Group, the development of the new Australian Animal Welfare Standards and Guidelines for Livestock at Processing Establishments (Standards and Guidelines), which covers a range of livestock species, including horses. This work is progressing well, with an independent scientific literature review completed and significant stakeholder consultation undertaken. However, it is a large and complex process, and it is anticipated that it will not be finalised until at least the end of 2024 as it involves resolving issues for a range of animal species and some divergent views across jurisdictions on some matters. Further time will be required to legislate the standards into a Code of Practice in Queensland. In 2021 key stakeholders were expressing frustration at the slow pace of the national process. The approval of the Hon. Mark Furner MP, Minister for Agricultural Industry Development and Fisheries, and Minister for Rural Communities, was obtained to develop the Code of Practice for Queensland, as originally recommended by the Martin Inquiry.

The progression of both the national Standards and Guidelines and a Queensland Code of Practice in parallel has benefited both processes - the literature review contains a chapter on horses (although literature is scarce, compared to, say, cattle or poultry). Also, the stakeholder advisory group (SAG) for the national Standards and Guideline held a meeting specifically on horses & other equids. The expert panel working in Queensland on developing the draft Queensland Code of Practice was provided with the literature review section on horses, and the SAG was provided with the draft CoP developed by the expert panel as a discussion paper.

### **Objectives of government action**

The objectives of government action are to:

- address the Martin Inquiry's finding that the current Model Code is inadequate as it relies upon voluntary compliance and there is no direct consequence for breaching the Model Code and it fails to address the special needs of horses at slaughter establishments



- ensure the welfare and humane treatment of horses and other equids being processed at livestock slaughter facilities (including knackeries) in Queensland
- implement a timely response to the problem
- meet community expectations in relation to an appropriate government response to the problem highlighted by the 7:30 program and the subsequent Martin Inquiry.

Note that this is one part of a comprehensive [response to the Martin Inquiry](#) by DAF, the Queensland Racing Integrity Commission and Racing Queensland.

**What options were considered?**

The Department has considered the following options to address the problem:

**Option 1 – Status quo (No action)**

The status quo (no action) option means the current regulatory arrangements would continue to apply.

**Option 2 – Adoption of the Standards and Guidelines under the Act, once developed**

The national and state animal welfare frameworks are informed by a series of Australian Animal Welfare Standards and Guidelines documents, endorsed at a national level. The series aims to harmonise and streamline livestock welfare legislation in Australia, ensuring that it results in improved welfare outcomes and is practical for industry. They underpin access to domestic and overseas markets and reinforce Australia’s commitment to advancing meaningful and effective animal welfare outcomes.

Agreed national standards and guidelines are already in place for cattle, sheep, poultry, depots and saleyards and land transport. States and territories have implemented the standards into state legislation, except for poultry (negotiations regarding implementation are ongoing).

As noted above, the Standards and Guidelines for Livestock at Processing Establishments are being developed through the AWTG with Queensland leading this process.

Once the Standards and Guidelines are endorsed by the Agriculture Ministers, each State & Territory Government is expected to adopt the standards under their respective animal welfare law. In Queensland, the standards are adopted as a compulsory Code of Practice in subordinate legislation made under the Act.

Based on the current status of work, the likely timeframe for national agreement would be by the end of 2024, at the earliest. The standards would then need to be adopted under section 13 of the Act as a code of practice under the regulation, which would take a further 12 – 24 months to complete. This means that this process would be completed by the end of 2025, at the earliest. It is generally expected that national standards will be adopted as compulsory, although this is for individual states and territories to decide.

**Option 3a and 3b – The development and adoption of a compulsory (Option 3a) or voluntary (Option 3b) Queensland Code of Practice for Horses Processed at Slaughter Establishments under the Act**

This option involves Queensland independently adopting a Code of Practice for Horses within subordinate legislation made under section 13 of the Act, without waiting for national agreement on Standards and Guidelines and could be achieved in a shorter time frame compared with some other options (approx. 6 – 12 months). This option was originally recommended by the Martin Inquiry report (Recommendation 10.2.1) and meet the urgent timeframe suggested by the Martin Inquiry. The Martin Inquiry outlined how this Code of Practice should be developed i.e. the guidance of an expert panel was recommended, and the report also outlined a non-exhaustive list that the Inquiry considered should be included as a minimum. This option could be adopted as (i) a compulsory code (Option 3a) or (ii) a voluntary code (Option 3b).

Queensland is leading the development of the national Standards and Guidelines and would actively advocate for alignment with the Code of Practice adopted under this option. This is reasonable, as Queensland has the only major horse slaughter establishment in Australia.



#### **Option 4 – Engage with horse slaughter establishments to encourage voluntary improvements**

This option would involve Biosecurity Queensland (DAF) engaging with Meramist Pty Ltd and the Rathdowney knackery to ensure the voluntary implementation of the relevant Martin Inquiry recommendations. This option would not involve any financial incentives from Government.

#### **What are the impacts?**

##### **Option 1 - No action**

##### Costs

- This option represents the base case and would impose no direct costs.
- There would be no additional costs to government associated with this option.
- Potentially there could be adverse economic and social impacts on the industry if no action was taken. Taking no action to improve the welfare of horses at Queensland slaughter establishments is a risk to the social licence of horse slaughter generally. The horse slaughter industry would continue to be heavily scrutinised by activist groups and be the subject of campaigns to close down the industry. Economic impacts could eventuate through a reduction in the supply of horses if horse racing bodies and other equestrian groups introduce further controls restricting fate of horses after their retirement from racing or riding, due to concerns about welfare conditions at slaughter establishments. Likewise feral horse control programs may elect not to consign mustered horses to slaughter, instead choosing to kill horses in the field.

##### Benefits

- This option represents the base case and would not lead to any benefits in terms of improved animal welfare outcomes.

#### **Option 2 – Adoption of the *Australian Animal Welfare Standards and Guidelines for Livestock at Processing Facilities, once developed***

##### Costs

- Generally, this option could lead to increased business costs (e.g. investment required to ensure existing infrastructure meets compulsory requirements, costs associated with the training of staff, possible recruitment of additional staff, compliance and reporting) for both businesses, compared with the base case. It is difficult to quantify this cost because the standards have not yet been developed; however, substantial alignment with the Code of Practice is expected given Queensland's leadership of the process of developing the Standards and Guidelines and significant interest in horse processing compared to other jurisdictions.
- Costs to government are minimal. It is expected that enforcement of the Code of Practice could be accommodated within the existing resources of the DAF inspectorate. Currently, animal welfare incidents at horse slaughter establishments are investigated under general offences of breach of duty of care and animal cruelty. Adoption of the Standards and Guidelines would simply provide more specific provisions for inspectors to refer to in their investigations. In the period 1 January 2021 to 25 October 2023, inspectors spent a total of 15.55 hours on animal welfare cases involving horse slaughter establishments.

- The costs are expected to be similar to Option 3a, however costs would be deferred for 2 – 3 years compared to Option 3a, due to the expected timeframe for development of the Standards and Guidelines, and subsequent adoption in Queensland.
- The Standards and Guidelines are in early stages of development, and the final standards relevant to horses have not been decided. Depending on the degree of Queensland's influence over the national process, the specific concerns identified by the Martin Inquiry may not be fully addressed. However, Queensland is the only state or territory with a slaughter facility that processes horses for human consumption and has been developing a draft Code of Practice in parallel, so it is reasonable to expect alignment.
- The draft Queensland Code of Practice has been used to inform the development of the Standards and Guidelines in relation to the relevant sections on horses and would be very similar to the requirements of the Queensland Code of Practice. This strategy would ensure that regulatory burden would be similar.
- In the highly unlikely scenario, that the Standards and Guidelines would impose a higher regulatory burden than the Queensland Code of Practice, Queensland would need to consider its options, including:
  - continuing with its own Code of Practice instead of adopting the new standards, provided it can justify this course of action, or
  - adopt the new standards (partially or completely) under the Act.
- The economic impacts of this option on the abattoir and knackery are unknown as the AAWS&G have not been finalised, but are likely to be comparable to Option 3a.
- This option is likely to have favourable social impacts as a result of improved horse welfare and decreasing the risk to the abattoir's social licence to operate.
- The adoption of the Standards by regulation could have impacts on property and privacy rights under the *Human Rights Act 2019*. An analysis of these impacts would be completed to prepare the required Human Rights Certificate for a new regulation.

#### Benefits

- Generally, the benefits of this option are likely to lead to (i) the improved welfare of horses being processed at livestock processing facilities and knackeries, (ii) a high-quality product (horse meat) being produced, (iii) a clearer regulatory environment for industry and (iv) potentially an enhanced animal welfare reputation for the horse meat industry.
- The adoption of the national standards would be beneficial regarding national consistency in the regulation of horse processing facilities (abattoirs and knackeries). There is a relatively high likelihood of this being achieved.
- This may simplify some investigations as the expectations for animal welfare specifically in the context of horse slaughter will be clearly set out in a Code of Practice.
- Any benefits would be deferred for 2-3 years compared to option 3a.

#### **Option 3a – Adoption of a compulsory Queensland Code of Practice for Horses Processed at Slaughter Establishments**

##### Costs

- Generally, this option could lead to increased business costs.

- To be appointed as an Animal Welfare Officer, a person will need to be 'suitably qualified' through either:
  - having completed the vocational education training the person has satisfactorily completed the Animal Welfare Officer Skill Set (AMPSS00001) or an equivalent VET course, **or**
  - possessing the relevant knowledge, skills and experience to ensure the welfare of a horse at a livestock slaughter facility.
- If a suitably qualified person is already available to fill the role, there will be no cost. The cost of the AMPSS00001 course currently ranges from \$0 (under the fee-free TAFE program) to \$690 (full fees), with concessions and available for eligible persons. However, completion of this skill set is one ways to comply with the requirement of the Code of Practice for a suitably qualified Animal Welfare Officer and is not necessary if a person has relevant skills, knowledge and experience. The costs of training an Animal Welfare Officer will therefore vary depending on the individual who fills this role and their existing qualifications or previously obtained skills, knowledge and experience.
- The Code of Practice does not require a dedicated full-time person to fill the role of an Animal Welfare Officer. It is expected that the currently operating businesses will be able to cover the role with existing staff.
- The Code of Practice will require the owner to ensure 'to the extent reasonably practicable' that horses are prevented from seeing, hearing or smelling other horses being slaughtered. Examples include washing down the stunning box or area between horses to minimise the smell of blood or configuring the facility so that stunned or killed horses are not visible to a live horse, and that noise from the slaughter process is minimised. For existing facilities, it is expected there will be physical constraints to what can reasonably be achieved in terms of configuring the facilities.
- As a participant in the expert panel, Meramist has indicated that the main cost in meeting the proposed code of practice will be preventing horses from hearing other horses being slaughtered or smelling blood. Since the Martin Inquiry, Meramist has voluntarily modified their facility to prevent horses seeing other horses being slaughtered. Other aspects of the Code of Practice are substantially already in place.
- DAF understands that the knackery is likely to be most challenged by the requirement for a management system and to prevent horses seeing or hearing other horses being slaughtered, or from smelling blood.
- Costs to government under option 3a are minimal. It is expected that enforcement of the Standards and Guidelines could be accommodated within the existing resources of the DAF inspectorate. Under the existing ongoing professional development framework for inspectors, DAF would provide an initial training session (estimated 1 hour virtual format) to a small number of inspectors located in the vicinity of the two existing facilities to familiarise them with the content of the Code of Practice. Currently, animal welfare incidents at horse slaughter establishments are investigated under general offences of breach of duty of care and animal cruelty. Adoption of the Standards and Guidelines would simply provide more specific provisions for inspectors to refer to in their investigations. This may simplify some investigations as the expectations for animal welfare specifically in the context of horse slaughter will be clearly set out in the Code of Practice. In the period 1 January 2021 to 25 October 2023, inspectors spent 23.75 hours on animal welfare incidents involving horse slaughter establishments, of which 23.5 hours related to livestock transport matters, which are not covered by the proposed Code of Practice. Only 15 minutes was



spent on an unsubstantiated report of horses not being provided with water, which would be specifically required under the proposed Code of Practice.

- It is not expected that the Code of Practice would change the number of complaints being received, but the Code of Practice will provide a different means to address the same complaints.

#### Benefits

- Generally, the benefits will be similar to option 2, and include (i) improve the welfare of horses being processed at livestock processing facilities and knackeries, (ii) provide a better quality product and (iii) a clearer regulatory picture and potentially an enhanced animal welfare reputation for the horse meat industry.
- It is expected that the adoption of the code of practice could be completed by Dec 2023 (much sooner than option 2)
- Provided the Queensland code of practice was similar to the national standards, the adoption of the Queensland code of practice would be beneficial regarding national consistency in the regulation of horse processing facilities (abattoirs and knackeries). There is a relatively high likelihood of this being achieved.
- Another benefit would be certainty for the industry (about investment decisions), certainty for Queensland Government (that the preferred option addresses the Martin Inquiry) and animal welfare advocates (that higher standards will be put in place).

#### **Option 3b - Adoption of a voluntary Queensland Code of Practice for Horses Processed at Slaughter Establishments**

##### Costs

- The costs associated with this option are dependent upon the improvements that the business is willing to make. It would range from being comparable to the base case (business not willing to make any improvements) to similar to option 3 (business willing to make significant changes).
- The impacts on the export abattoir (Meramist Pty Ltd) will not be significant as they have implemented many of the changes recommended by the Martin Inquiry. Quantitative costs have not been provided by Meramist. The Rathdowney knackery could make some changes to their current practice with the requirement for live horses not to see, hear or smell other horses being killed and processed and the management system requirements.
- Generally, the outcomes-based drafting means that there is flexibility for slaughter establishments to decide how to meet the requirements in the most cost-effective way for their circumstances.
- The adoption of the Code of Practice by regulation will have impacts on property and privacy rights under the *Human Rights Act*. An analysis of these impacts will be completed as part of the Human Rights statement of compatibility process.
- There are several knackeries in NSW and Victoria that process horses for the pet food market. A South Australian abattoir was previously licensed to export horse meat for human consumption but does not currently process horses. The introduction of regulations in Queensland may influence decisions on where horses will be processed i.e. avoid transporting horses to Queensland.
- Costs to government under option 3b are minimal. Animal welfare complaints about horse slaughter establishments would continue to be investigated under the Act generally as breach of duty of care or animal cruelty offences. In the period 1 January 2021 to 25 October 2023, inspectors spent a



total of 15.55 hours on animal welfare cases involving horse slaughter establishments. The existence of a voluntary code of practice would provide an additional information resource for investigators to use when engaging with slaughter establishments about ways to improve animal welfare outcomes.

#### Benefits

- This option is unlikely to yield the same benefit as Option 3a.
- The benefits associated with this option are dependent upon the business' willingness to adopt improvements. These would range from minimal as per the base case (most likely) to the benefits expected under option 3.
- The fact that compliance with the voluntary Code of Practice could be used in a proceeding (Section 16 of the Act) may be an incentive for businesses. They may see it as a way of reducing their risk or exposure to cruelty or breach of duty of care offences.
- This option may lead to less monitoring and enforcement costs to Government. But this is dependent upon full compliance by the businesses.

#### **Limitations**

It has not been possible to quantitatively assess the impacts or benefits of the options. It has not been possible to obtain specific estimates of costs from slaughter establishments. The analysis is further complicated by outcomes-based drafting, which leaves considerable scope for slaughter establishments to choose how to achieve compliance. The quantification of benefits is difficult since they primarily involve non-economic factors of animal welfare. The usual method of 'willingness to pay' is problematic since there is almost no market for horse meat in Australia. European consumers of Australian horse meat rely on EU Council Regulation, but *prima facie* compliance with these standards has failed to prevent poor horse welfare outcomes at Australian slaughter establishments.

#### **Who was consulted?**

During the Martin Inquiry, submissions were received from stakeholders including racing bodies and animal welfare groups and the general community. The submissions concurred that the good welfare outcomes for horses and other equids being transported and processed at abattoirs and knackeries need to be ensured and that equids at slaughter places may require them to be treated differently than how other animals such as cattle and sheep are treated. For example, most cattle and sheep are used to being herded and moving along races. For most horses this is completely foreign. Also there needs to be changes to the current arrangements to ensure that horse slaughter is humane. It was further identified that the regulatory environment has gaps and inadequate horse welfare specific requirements.

An Expert Panel was convened to provide guidance to the Department of Agriculture and Fisheries regarding the development of the compulsory Code of Practice. The membership of the Expert Panel included representatives from:

- Meramist Pty Ltd (the abattoir)
- RSPCA Qld, and
- Australian Veterinary Association, Qld Branch.

The Expert Panel met (virtually) on five occasions between October 2021 and August 2022 to discuss the issues raised by the Martin Inquiry regarding the processing of horses in livestock slaughter facilities, how



these issues would be addressed by the Code of Practice and provided feedback about a draft Code of Practice. The Expert Panel was largely supportive of the proposed COP.

In February 2023, further consultation was undertaken with Meramist Pty Ltd in relation to the costs associated with complying with the provisions of the proposed COP. However, no quantitative costs were able to be obtained. DAF has used information from expert panel discussions, and has visited the abattoir to understand the level of likely impacts based on current facilities compared to proposed requirements.

It has not been possible to consult meaningfully on the details of the proposal with the operator of the Rathdowney knackery, despite efforts by DAF. However, DAF has used its inspectors' knowledge of the knackery facility to understand the level of likely impacts based on current facilities compared to proposed requirements.

### **What is the recommended option and why?**

The options can be qualitatively compared relative to each other.

Costs/impacts increase in the following order:

Option 1 → Option 4 = Option 3b → Option 2 → Option 3a.

Benefits/effectiveness increase in the following order:

Option 1 → Option 4 → Option 3b → Option 2 = Option 3a.

Compliance costs are comparable across options i.e. it is expected that enforcement of any new requirements, or engagement on voluntary improvements, could be accommodated within existing DAF resources.

While there is a risk that mandatory standards may make certain operations unviable economically (e.g. the knackery), it is also possible a lack of effective regulation risks the social licence of horse slaughter which could also make the industry unviable. Either way, if government action (or lack thereof) were to lead to a complete cessation of all horse slaughter in Queensland, based on current horse meat export value, the most the industry stands to lose is less than \$1.5 million per year. Meramist is primarily a cattle abattoir, so it is not likely that the business will remain viable if they ceased processing horses, as they could increase their cattle processing to compensate.

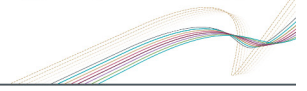
While status quo and voluntary options (Options 1, 4 and 3b) may limit the cost and other impacts, the extent to which these options address the problem is questionable. Mandatory Options 2 and 3a are likely to be comparable in addressing the problem. Option 2 is only marginally cheaper for businesses due to the delayed implementation of 2 – 3 years.

### **Recommended option**

The adoption of a compulsory Code of Practice for Horses Processed at Slaughter Establishments (Option 3a) is the preferred option, as it most effectively addresses the problem in a timely way. While this option has greater impacts than other options, outcomes-based drafting provides for flexibility for slaughter establishments to choose a cost-effective way to meet the requirements.

Option 3a addresses the Martin Inquiry's concerns about the humane treatment of horses and other equids being processed at slaughter facilities (including knackeries) in Queensland, and it meets the requirements outlined in recommendation 10.2.1 from the Martin Inquiry Report. This option also has ministerial support and is aligned with the Queensland Government's published response to the Martin Inquiry.

The Code of Practice will introduce mandatory requirements in Queensland which are not in place in other jurisdictions. However, this is not expected to lead to any impacts on competition, or move 'the problem' elsewhere, as the Meramist abattoir in Queensland is the only abattoir in Australia which processes horses



in significant numbers. Knackeries do operate in other states but only process horses in low numbers. The use of horse meat in pet food is discouraged by the Pet Food Industry Association of Australia, and a recent incident of toxicity to dogs exposed to horse meat in Victoria is also likely to continue to limit the processing of horses at knackeries.

Any misalignment is also likely to be temporary, with the expected adoption of national Standards and Guidelines from approximately late 2025.

### **Rejected options**

The status quo option (Option 1) is not likely to address the problem effectively – the Martin Inquiry findings indicated that the status quo is failing to prevent poor welfare outcomes for horses. The Martin Inquiry found that the Model Code of Practice for the Welfare of Animals: Livestock at Slaughtering Establishments was voluntary and outdated, but most importantly, it failed to provide for appropriate establishment design to achieve humane slaughter of horses. The inquiry further identified that the poor design of slaughter establishments, inappropriate handling of horses such as using loud noises to move horses, allowing horses to see and hear other horses being stunned or shot and smell blood immediately before slaughter, are all factors that lead to poor welfare outcomes for horses and are not prevented under current legislation. Consequently, the Martin Inquiry strongly recommended that the Department of Agriculture and Fisheries urgently develop a compulsory Code of Practice for Horses Processed at Slaughtering Establishments (including knackeries) in Queensland, to ensure best practice for the humane treatment of horses from arrival to exsanguination. It further outlined how this Code of Practice should be developed i.e. the guidance of an expert panel was recommended, and outlined a non-exhaustive list that the Inquiry considered should be included as a minimum. This option would not address the concerns raised and subsequent recommendation (10.2.1) made by the Martin Inquiry. It is likely that there would be little to no improvements to horse welfare.

Without government intervention, the market cannot be relied on to address the problem. The horse meat is exported largely to the EU. Importing countries may restrict import or introduce their own requirements on exporters to ensure that the product meets the EU animal welfare standards at slaughter. However, EU standards have applied to the Meramist export establishment since before the Martin Inquiry, and while they continue to pass EU audits, this did not prevent the suffering of horses documented by the 7:30 program

Adoption of the Standards and Guidelines (Option 2) would effectively address the problem, given that requirements are expected to be similar to those being proposed for a Queensland Code of Practice. However, the timeframe for this option is unacceptably long given the Martin Inquiry findings. Historically, previous national Standards have taken years to adopt due to a lack of consensus between animal-based industries and animal welfare advocacy groups on animal welfare issues, and changes in the Standards development process. Once the drafting of standards and guidelines is finalised, the national endorsement process can be extended due to competing priorities on the agendas of senior officials and Ministers meetings.

Option 2 is consistent with the Queensland Government's commitment to the ongoing national Animal Welfare Standards and Guidelines process and advised accordingly in its response to the Martin Inquiry (Feb 2020). However, the Martin Inquiry was critical of this option because (i) the national Standards and Guidelines for Livestock at Processing Facilities drafting process and public consultation were likely to take years to be completed and (ii) the existing draft Standards and Guidelines do not address the special needs of horses at slaughter. This option may ensure the welfare and humane treatment of horses and other equids being processed at livestock slaughter facilities (including knackeries) in Queensland, as Queensland is currently leading this project and Queensland has the only abattoir processing horses.

Option 2 does not represent a timely response to the problem, considering this option will take until at least late 2025 to fully implement.



For this reason it is unlikely to meet community expectations in relation to an appropriate government response to the problem highlighted by the 7:30 program and the subsequent Martin Inquiry. It is expressly contrary to finding 14b of the Martin Inquiry.

Option 3b is less likely to address the problem effectively. It would represent an improvement on the status quo in that adopting a new voluntary Code of Practice would address the outdated nature of the current voluntary Code. There may be an incentive to comply with the voluntary Code of Practice, as it can be used as evidence in proceedings (Section 16 of the ACT). However, as uptake of the provisions of the Code of Practice would be voluntary there is no guarantee that slaughter establishments will implement improvements. It is extremely likely that the community and Queensland Government would regard the adoption of a voluntary code of practice as being no different to the current regulatory environment and provided no further safeguards for horse welfare. The Martin Inquiry and stakeholders were strongly supportive of the adoption of a *compulsory* code.

Engagement with horse slaughter establishments to encourage voluntary improvements (Option 4) may bring about minor improvements at the Meramist abattoir, who have shown willingness to make improvements where there is no significant cost. However, the current good engagement with Meramist management is not guaranteed into the future. This option is also not likely to lead to improvements at the Rathdowney knackery as that operator is very difficult to engage. Voluntary improvements may still involve expense and effort for horse slaughter establishments.



**Impact assessment**

The preferred option could lead to increased business compliance costs, including investment to upgrade infrastructure, costs associated with the training of staff, possible recruitment of additional staff or training of existing staff (to carry out the Animal Welfare Officer role), developing and maintaining a management system and record-keeping. However, considerably flexibility is provided under the Code of Practice on how to achieve compliance with outcomes so that the most efficient and practical means can be selected by owners of horse slaughter establishments, keeping costs limited and proportionate.

It has not been possible to quantitatively assess all compliance costs of the recommended option as the affected slaughter establishments have not provided specific estimates of costs. It is further complicated by outcomes-based drafting, which leaves considerable scope for slaughter establishments to choose how to achieve compliance.

As a participant in the expert panel, Meramist has indicated that the main cost in meeting the proposed code of practice will be preventing horses from hearing other horses being slaughtered or smelling blood. These could require infrastructure upgrades. Other aspects of the Code of Practice are substantially already in place.

The Rathdowney knackery may need to make some changes to their current practice with the requirement for live horses not to see, hear or smell other horses being killed and processed and the management system requirements. It is expected that the knackery will also need to develop procedures and potentially make improvements to record-keeping, however, the complexity of this task is commensurate with the small size of the facility and the low numbers of horses processed. While there is a risk that mandatory standards may make their operations unviable economically, it is also possible a lack of effective regulation risks the social licence of horse slaughter which could also make the industry unviable. As noted in the Consultation section, it has not been possible to consult meaningfully on the details of the proposal with the operator of the Rathdowney knackery, despite considerable efforts by the Department of Agriculture and Fisheries.

Government costs are minimal. The Code of Practice will provide a different means to address animal welfare complaints that previously would have been investigated under general offences in the Act. Initial training will be provided to familiarise a small number of staff (<10) with the Code of Practice and will form part of the existing ongoing professional development program.

**All proposals – complete [do not delete]:**

	First full year	First 10 years**
<b>Direct costs – Compliance costs*</b>	Not available	Not available
<b>Direct costs – Government costs</b>	<b>Minimal additional costs compared to base case</b>	No additional costs compared to base case

\* The *direct costs calculator tool* (available at [www.treasury.qld.gov.au/betterregulation](http://www.treasury.qld.gov.au/betterregulation) ) should be used to calculate direct costs of regulatory burden. If the proposal has no costs, report as zero. \*\*Agency to note where a longer or different timeframe may be more appropriate.

**Signed**

  
 Director-General  
 Date: 23-11-23

  
 Minister  
 Date: 27/11/2023.