

## Trade negotiations with Australia

Consultation response from Wildlife and Countryside Link

October 2018

*Wildlife and Countryside Link (Link) is the largest environment and wildlife coalition in England, bringing together 48 organisations to use their strong joint voice for the protection of nature. Our members campaign to conserve, enhance and access our landscapes, animals, plants, habitats, rivers and seas. Together we have the support of over eight million people in the UK and directly protect over 750,000 hectares of land and 800 miles of coastline. We welcome the opportunity to respond to this consultation on trade negotiations with the US.*

*This response is supported by the following member organisations:*

- *A Rocha UK*
- *Born Free Foundation*
- *Buglife*
- *Humane Society International UK*
- *Naturewatch Foundation*
- *RSPCA*
- *Sustainable Food Trust*
- *Zoological Society of London*

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Wildlife and Countryside Link supports the position that the UK wishes to maintain and, where possible, improve standards of animal welfare and the environment in the UK as we leave the EU<sup>1,2</sup>. We also support the Department of International Trade view that it would not lower food, animal welfare or environmental standards after the UK leaves the EU, and that when undertaking trade deals any imported product would have to meet UK standards<sup>3</sup>.

We support a free trade agreement (FTA) with Australia that maintains these basic principles. The two main areas where the UK will have to ensure parity with Australia on animal welfare standards are: standards and trade in farm and agricultural products; and standards and trade in pharmaceutical and other products tested on animals. Furthermore, trading arrangements between Australia and the UK must ensure the highest protections for wildlife and prevent the spread of invasive non-native species.

### **Problem issues where equivalency does not exist**

Trade in farm animals and products is the most sensitive trade area due to the large differences in global standards. The World Organisation for Animal Health (OIE) has agreed thirteen global farm animal welfare standards on fish and land animals; the transport and slaughter of animals; and specific ones on meat chickens, dairy and beef cattle. However, these welfare standards are generic and not enforceable, unlike the OIE's animal health standards, either by the OIE or through trade agreements such as Sanitary and Phytosanitary (SPS) measures, Technical Barriers to Trade (TBT)

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<sup>1</sup> Michael Gove The unfrozen moment – delivering a Green Brexit. 21.7.17 <https://www.gov.uk/government/speeches/the-unfrozen-moment-delivering-a-green-brexite>

<sup>2</sup> Prime Minister, PMQs 8.2.17 Hansard

<sup>3</sup> Rt Hon Greg Hands MP Minister of State for Trade Policy Efra 6.6.18

measures or General Agreement on Tariffs and Trade (GATT). Many countries do not meet these standards, including those with whom the UK is proposing to undertake FTAs.

The UK has adopted and, in some cases, gone higher than the 19 agreed farm animal welfare laws set at the EU level. These include bans on sow stalls, veal crates and the conventional battery cage for laying hens. The UK's farm standards are above the OIE Global Codes. They set specific standards in legislation for all the farm species covered by the OIE Codes aside from beef and dairy cattle.

So on many farm issues, the UK has adopted some of the highest global standards. This creates a trade issue with those countries, such as the USA, that farm to lower animal welfare standards. Unless equivalence language is adopted in the FTA only to import products produced under equivalent standards, imports could occur in products that are produced under standards that are illegal in the UK. Due to potential cost differentials in production methods, this may also result in undercutting of UK producers.

On farm standards, the World Animal Protection Index has given Australia a C rating compared to an A rating for the UK<sup>4</sup>. This is for two main reasons. Firstly, there are very few national laws on farm animals and Australia has yet to phase out extreme confinement systems such as the conventional battery cage and the sow stall (around 52% of eggs sold in the supermarket are caged). Australia also uses practices such as mulesing in its sheep industry that are prohibited in the UK.

There are also differences on animal health standards. Whilst Bovine Somatotropin (BST) is banned in the Australian dairy industry, Australia does allow the use of hormones in its beef industry. Around 40% of the herd use hormones and the beef industry estimates this adds £120 million to the industry<sup>5</sup>. Australia also joined with the USA in challenging the EU's beef-hormone ban in 1998. In addition to the ban on hormones in the beef industry, the UK will inherit bans on certain Genetically Modified Organisms, BST, and chlorine washed chicken. Animal health standards come under the Sanitary and Phytosanitary (SPS) Agreement, which does not allow health standards to be above the agreed global standards. Growth promotants are problematic for animal welfare for two main reasons. Firstly, they stress the animals' metabolism – diverting resources into growth rather than maintenance, increasing hunger and vulnerability to suboptimal management. Secondly, some of these drugs are used as an easy alternative to good husbandry, suppressing disease but allowing other poor practices such as overcrowding<sup>6</sup>.

Sheep mulesing is a serious welfare problem in the Australian wool industry. Mulesing is a surgical procedure that is designed to reduce the incidence of flystrike (myiasis), which is a condition caused by maggots living on the skin and in the fur of animals. Most lambs will also have their tails cut off and the males will be castrated at the same time. The pain relief used is inadequate and most often applied post cut. 75% of Australian lambs bred for wool suffer this unnecessary practice, meaning millions of merino lambs are currently mulesed each year in Australia. There is, however, a genetic solution that eliminates both fly strike and the need for mulesing. Smooth bodied sheep can be bred, which do not suffer from fly strike or need mulesing. Australian wool producers could transform

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<sup>4</sup> <https://api.worldanimalprotection.org/country/australia>

<sup>5</sup> <http://www.foodstandards.gov.au/consumer/generalissues/hormonalgrowth/Pages/default.aspx>

<sup>6</sup> EFSA. 2007. Opinion related to hormone residues in bovine meat and meat products.  
<https://www.efsa.europa.eu/en/press/news/070718>

their flocks to smooth bodied sheep in as little as 3-5 years and eradicate this cruel practice, but are resistant to this change so external pressure from trading partners is critical.

The second area where there may be pressure to relax standards in an FTA is on the use of animal tests relating to product safety assessments. The UK inherits eight pieces of legislation from the EU that cover this area. Some of these set higher restrictions on animal use than are found in other countries with whom the UK will want to agree an FTA. These include the ban on the use of animals in cosmetics ingredients and product tests, which includes both an import ban and an internal ban, and equivalence on approval of chemicals coming on to the market under Registration, Evaluation, Authorisation and Restriction of Chemical Substances (REACH). The cosmetics marketing ban has not been challenged at the WTO since it came into force five years ago, but some countries with whom the UK wishes to agree an FTA have stated in the past that they wish to challenge this measure. The use of animals to test cosmetics is still permitted in Australia<sup>7</sup>, and the UK should ensure that it does not agree to permit such products entering the UK under any FTA. The UK bans such products now as a member of the EU, so any relaxation of this would break the Government's commitment to maintaining high welfare standards.

### **Solutions**

One of the easiest ways for the UK to proceed is to include a chapter in any FTA on animal welfare to ensure its own standards are protected, such as in the draft EU-Mexico FTA. Including an animal welfare chapter in the Australia FTA could contain language that the two countries cooperate on programmes to raise animal health and welfare standards, thus meeting OIE global standards, but crucially that each country is allowed to maintain its own standards of animal health and welfare.

To maintain its farm standards and farming industry, the UK should only permit imports of products that have been produced to UK animal welfare standards. This could be achieved by: ensuring that tariffs are not relaxed on sensitive issues such as eggs, chicken and pigmeat unless the Australia's standards are equivalent to the UK's in those areas; ensuring that any Tariff Rate Quotas (TRQs) are only agreed where equivalency occurs; and ensuring that the UK's bans on imports of products produced with growth-promoting agents are maintained.

Australia will be looking to open up the UK market, particularly in the poultry and beef markets. Australia joined with the USA in challenging the EU's beef-hormone ban in 1998 and has already stated that it would want the UK to accept beef produced with growth promoters in any FTA<sup>8</sup>. The UK should ensure that beef imports are only permitted where hormones are not used.

Australia will want to maintain its important sheep export trade to the UK, where it supplies 15% of UK sheep imports<sup>9</sup> under a Tariff Rate Quota (TRQ) agreed with the EU when the UK joined. The EU and UK have notified the WTO that they will split these TRQs based on historical trade levels, but Australia has objected to this process on its sheepmeat TRQ. The UK should agree TRQs on those sectors where animal welfare standards are at least equivalent to the UK. Most of Australia's farming industries do not have equivalent standards, so the UK should only agree to open up

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<sup>7</sup> <http://www.health.gov.au/internet/main/publishing.nsf/Content/ban-cosmetic-testing-animals> -

<sup>8</sup> <https://www.thetimes.co.uk/article/australia-to-demand-britain-accepts-hormonetreated-beef-htwf9xxsb>

<sup>9</sup> AHDB. 2016 Horizon: what might Brexit mean for UK trade in agricultural products?

imports in those fields where there is at least equivalence, such as free-range egg products or sheepmeat and wool from sheep that have not undergone mulesing.

On animal testing, the UK should ensure that it does not agree to the import of animal-tested cosmetics under any FTA. Any relaxation would contravene the UK testing and marketing ban, as well as the Government's commitment to maintain high welfare standards.

### **Wildlife protection**

If drafted appropriately and with necessary resources allocated, a free trade agreement between the UK and Australia could be an effective and powerful platform for both countries to demonstrate leadership in protecting biological diversity. The UK-Australia FTA must include strong commitments requiring each Party to protect its own domestic wildlife and wildlife habitats. In the case of Australia, the UK should seek commitments to address the kangaroo hunt, which is the largest hunt of terrestrial wildlife in the world.

Protecting wildlife from illegal trade should be a key priority for UK and Australia negotiators alike. The Trans-Pacific Partnership (TPP) Environment Chapter is the most progressive environment chapter in an FTA to date and should be used as the basis for an Environment Chapter in a trade agreement between the UK and Australia. Consumers in developed countries cause threats to species through their demand of commodities that are ultimately produced in developing countries. The environment/sustainable development chapter must articulate the commitment of both parties to combating wildlife trafficking, including:

- Language requiring both parties to implement and enforce the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), the Convention on Migratory Species (CMS), the Convention on Biological Diversity (CBD), and the adoption of stricter domestic measures where necessary.
- A ban on import, export, and sale of rhino horn and ivory from elephants and other ivory-bearing species, and agreement on the destruction of all government held ivory stockpiles.
- A commitment to use diplomatic tools to urge other governments to restrict or ban domestic sales of ivory and to destroy ivory stockpiles.
- A pledge to oppose any CITES member proposals to reduce protection for any populations of elephants or rhinos, regardless of whether it is on a "one-off" or "experimental" basis.
- Provisions allocating resources to demand reduction efforts at the domestic and international levels, including public education and outreach, as well as cooperation with NGOs, civil society groups, and other stakeholders.
- Provisions to make it an offence to trade in species that have been taken, possessed, transported, or sold in violation of the national laws of third countries. This would be an opportunity to curtail parts of the exotic pet trade and place trade restrictions on species that are not CITES-listed.
- Language requiring stronger enforcement of penalties for illegal wildlife trade.

It is also imperative to ensure the long-term sustainability of marine turtles, sharks, and marine mammals such as whales and polar bears through adequate conservation and management measures. Similarly, the FTA should drive action against illegal, unreported and unregulated (IUU) fishing. The sustainable development/environment chapter should include commitments including:

- Language promoting collaboration between the UK and Australia on wildlife trafficking issues, including through the strengthening of protections for threatened species affected by trade at both domestic and international levels, and through assistance and support for third countries and transnational enforcement bodies.
- Language requiring compliance with, and implementation and enforcement of, Multilateral Environmental Agreements (MEAs) and regional fisheries agreements, including but not limited to CITES, the International Convention for the Regulation of Whaling (ICRW), the Convention for the Conservation of Antarctic Marine Living Resources (CCAMLR), the Agreement on the International Dolphin Conservation Program (AIDCP), the Inter-American Tropical Tuna Commission (IATTC) and the International Commission for the Conservation of Atlantic Tunas (ICCAT). This could involve the adoption of even stronger measures.
- Enact and effectively enforce a prohibition on trade in shark fins and require that each shark be landed with the fins naturally attached.
- Prohibit the take for commercial purposes, and trade and transit of shark products, of endangered species as well all species of sea turtles and marine mammals, including polar bears, seals, dolphins, and whales.
- Produce, share, and utilise species-specific data, including population and biological assessments, to improve management measures intended to promote the long-term conservation of sharks, sea turtles, and marine mammals.
- Implement, and enforce the Port State Measures Agreement to tackle IUU fishing.
- Provisions requiring stronger enforcement of penalties on IUU fishing.
- Language making it unlawful to trade in fish taken, possessed, transported, or sold in contravention of a foreign law.
- Prohibit subsidies that contribute to overfishing or overcapacity; to illegal fishing, including subsidies for IUU-listed fishing vessels;
- Report fisheries subsidies, together with data concerning the fishery that the subsidies affect, including catch of fish stocks, status of fish stocks, fleet capacity, conservation and management measures in place, and total imports and exports per species.
- Implement and effectively enforce measures to reduce by-catch, such as: time-area closures or changes in fishing practices or gear to avoid catching vulnerable species; monitoring of landed and discarded catch; enforceable limits on catch including discards; making annual assessments of bycatch levels to set baseline values to determine whether bycatch is being reduced on an annual basis.

The FTA should also include a commitment to allocate meaningful human and financial resources to carry out the obligations of the sustainable development/environment chapter. Moreover, the provisions of the chapter should include concrete and enforceable language in the form of “shall” as in, for example, “shall adopt, maintain, and implement” as opposed to weak language like “should” or “strive to.”

#### **Accidental spread of invasive non-native species**

When undertaking trade deals any imported product should meet UK environmental standards, including biosecurity and phytosanitary measures to prevent the introduction to the UK of invasive non-native species. An example of a possible pathway of introduction is trade in live containerised plants. Not only can plant pests be inadvertently spread, but other organisms may be introduced as

'hitch-hikers' in the potting medium. Examples of invasive non-native invertebrates that may have arrived in the UK in this way are the New Zealand flatworm *Arthurdendyus triangulatus*, and the Australian flatworm *Australoplana sanguinea*, both of which prey on earthworms. The precautions in the Plant Health (England) Order 2015 should be applied to imports of live plants, including a requirement for phytosanitary certificates covering soil or growing medium.

### **Conclusion**

Wildlife and Countryside Link supports a free trade agreement with Australia provided that it maintains the following two basic Government principles: that when undertaking trade deals any imported product would have to meet UK standards, and that UK animal welfare and environmental standards would be maintained and where possible improved. This will be challenging on farm animals and trade in products tested on animals due to the lack of equivalency between the two countries on animal welfare and health standards. In addition, there is a strong Australian lobby in seeking to open up the UK market to products produced at lower standards.