

RSPCA SUBMISSION TO INTERNATIONAL TRADE COMMITTEE ON THE AUSTRALIA-UK FTA AND IMPLICATIONS FOR ANIMAL WELFARE

Summary

1. The Australia-UK trade deal, as the first FTA to be signed by the UK since leaving the EU, is not a good FTA model for the UK to use when negotiating with India, Canada and Mexico. Whilst it contains the best animal welfare provisions in any FTA to date, crucially it does not set any conditionality or equivalence on imports based on animal welfare standards used in production. Australia has lower animal welfare standards in many sectors such as eggs, pigmeat production and chicken but crucially in the two sensitive export sectors of lamb and beef where tariff reductions starting in Year 1 could mean substantial rises in imports of these products. Such differences in standards in Australia include double the long distance transport times for animals, the use of barren feedlots for cattle production, the practice of mulesing in sheep production including for cross breeds used in the lamb industry and the use of hot branding. All these are prohibited in the UK. The absence of any equivalence language on animal welfare in the FTA means that products produced from lower standards will enter the UK market. Whilst the impact of this on UK farming is untested it sets a precedent for negotiations with countries such as Canada and India who will want the same model for their eggs, chicken meat and pigmeat which will undermine UK farmers. The DiT IA ignores this crucial impact. The UK held out reducing tariff lines for egg products in the Australia FTA showing that it will maintain its safeguard measures but only where these are not a priority for the other country. Aside from the farm sector the FTA also contains language that appears to allow the reduction of standards in cosmetics testing. Finally the SPS measures seem to have weakened since the Agreement in Principle, reverting from mutual recognition of SPS standards to accepting SPS measures should be based on scientific risk assessments. The impact of this on retention of the UK's SPS standards such as bans on imports of beef from cattle treated with hormonal growth promoters remain unclear.
2. The RSPCA welcomes the opportunity to respond to this inquiry by the International Trade Committee into the UK-Australia Free Trade Agreement. This FTA is important not only for UK-Australia trade but also as it sets the template for future FTAs and sets the direction for animal welfare standards. The RSPCA has been working on trade issues for 25 years, advising the European Commission on six FTAs that the EU has or is negotiating that include animal welfare elements (Chile, South Korea, Canada, Japan, Mercosur and Mexico). The RSPCA was also on the Trade and Agriculture Commission working group on consumers which reported in March 2021. The RSPCA also sets the standards for the UK's only higher welfare farm assurance and food labelling scheme, RSPCA Assured, which has over 3,000 members and assures over half the UK's laying hens and around a third of its pigs. As any trade negotiation will impact on the UK's animal welfare standards, the RSPCA has a public policy and commercial interest.

How good a deal is the UK-Australia FTA for the UK?

3. In December 2021 the Governments of the UK and Australia signed the FTA following the Agreement in Principle (AiP) in June. This deal is important as it is the first since the UK left the

EU on 1st January 2021 and sets the tone for future FTAs that the UK is negotiating (currently an AiP with New Zealand, starting negotiations with Canada in early 2022 and consulting on starting FTAs with the Gulf Cooperation Council, Mexico and the CPTPP). The Government has a manifesto commitment not to undermine existing animal welfare standards when agreeing new trade deals as without tariff and non-tariff protection this would undercut UK producers that are producing to higher animal welfare standards, potentially putting them out of business and leading to a race to the bottom. It also fuels unsustainable agriculture practices, and impacts on climate change commitments, in contravention to the G7 Carbis Bay goals set in 2021¹.

4. The deal is not a good one for UK animal welfare standards. Of the 32 Chapters in the Australia-UK FTA four are particularly relevant to assess its value: the Animal Welfare Chapter (25), the Goods Chapter (2), the SPS Chapter (6) and Chapter 8 on Technical Barriers to Trade (TBT).
5. 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 which scored as B and D respectively². There are cost differentials in production methods, primarily due to increased costs in labour, land and feed in the UK. So production methods with higher animal welfare standards tend to be more costly to produce a product than those from more intensive systems (eg comparing eggs from hens in free range systems with those produced from conventional battery cages).
6. Australia has lower animal standards in the following sectors: egg production (40% free range compared to 58% in UK, conventional cage allowed in Australia and banned in UK), pig production (sow stalls permitted in Australia and banned for 30 years in UK - 10% free range and outdoor bred pigs in Australia compared to 40% in UK), beef production (feedlots permitted in Australia and not in UK; long distance transport times up to 48 hours in Australia compared to 29 hours and proposed reduction to 21 hours in UK) and lamb production (mulesing permitted in Australia and banned in UK).
7. Firstly, the good parts of the FTA. The Animal Welfare Chapter is undoubtedly far reaching and probably the best yet written into any FTA. It is also the first animal welfare Chapter in any FTA negotiated by Australia so UK negotiators were successful to push this and to get it as a separate Chapter outside of the SPS Chapter. It contains good language on 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, something the UK has highlighted as a success in its Impact Assessment (IA)³. However, whilst it is good to get non derogation and non regression language in an FTA this commits the parties not to derogate from or lower their standards in order to attract trade or investments. This model, which has also been used for environmental standards in other FTAs, while harmless, is not very impactful considering how low Australian standards are, as well as the difficulty to demonstrate the trade impact of a change in standards. Would the UK or Australia want to lower their own animal standards? The RSPCA is unaware of any circumstance in the 199 year history of farm animal legislation where farm animal welfare standards have been lowered in the UK, so although this language acts as a back stop it is difficult to say what actual impact it will have on standards.

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

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

³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1041629/impact-assessment-of-the-free-trade-agreement-between-the-united-kingdom-of-great-britain-and-northern-ireland-and-australia.pdf

8. The Chapter also contains good language on collaborating to combat antimicrobial resistance. However all these commitments, whilst welcome, are soft language which do not contain any hard commitments, particularly when compared to the impact of lowered tariffs found in the Goods Chapter.
9. The Goods Chapter lowers, over a period of 15 years, tariffs on sensitive agrifood products such as beef and lamb without any conditionality or equivalence on standards. If fulfilled, the tariff rate quotas (TRQs) in Year One of the Agreement would allow Australia to increase its beef exports by 60 fold to the UK to 35,000 tonnes and its lamb exports by four fold to 25,000 tonnes. There is no conditionality on these tariff reductions aside from Special Safeguard measures to protect farm sectors against serious injury and the UK's legislative commitment to import meat slaughtered to UK standards⁴. Animal welfare standards for both sheep and lamb production in Australia, are lower than the UK's. For instance cattle and sheep can be transported live for up to 48 hours compared to 29 hours (and a commitment to lower to 21 hours in the next year) in the UK. 4% of Australian cattle are kept on feedlots, which do not exist in the UK. Australia permits the mulesing of sheep, a mutilation that is prohibited in the UK. Mulesing is a practice where farmers remove strips of the sheep's skin located near the buttocks to reduce the risk of infestation by blowflies and their larvae, a particular problem for the breed of Merino sheep due to their selective breeding to increase wool production. Despite a commitment to phase out mulesing in Australia by 2012, in 2020 44% of all sheep are still mulesed without anaesthetic and an additional 40% with pain relief⁵. Although this is mainly used in the wool industry some cross breed merino sheep in the lamb industry are also mulesed. As there is no conditionality put on imports of lamb from Australia it is assumed that lamb from mulesed sheep will be permitted to enter the UK. This may break the Government's rule that imports should only be of products based on the UK standard of production as mulesing is illegal in the UK.
10. On beef, around one million of the Australian beef herd, 4% of the total herd, is kept on barren feedlots, a practice not currently used in the UK. Beef is also hot branded in Australia, a practice prohibited in the UK.
11. Whilst analysis of the impact of these imports on the UK's beef and sheep industries will be difficult and may take some years to establish as the TRQs may not even be filled, it is difficult to see how this matches with the commitment not to lower UK farm standards in any Free Trade Agreements (FTAs) or that any imported product would have to meet UK standards⁶.
12. There are around 1,100 separate tariff lines in the FTA on meat and fish products⁷. The vast majority either set at 0 tariffs from day one or, like beef and sheep, have TRQs that expand over a 15 year period. However around 90 tariff lines (8%) do not change and use the UK's MFN tariffs which are set at a level to safeguard against any products entering the UK markets and undercutting standards. These sensitive products include chicken meat, dried, frozen and liquid eggs and pigmeat⁸. Due to geographical reasons any future trade in such products would always be small and Australia does not export egg products and is an importer not exporter of pigmeat. So Australia may not have asked for a reduction on these tariff lines as it did with beef and

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

⁵ <https://kb.rspca.org.au/knowledge-base/why-is-it-important-to-declare-mulesing-status-on-the-national-wool-declaration/> wool auctions 2020/1

⁶ Secretary of State DIT NCDeb c943 20 June 2020

⁷ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1040788/uk-australia-free-trade-agreement-fta-annex-2b-part-2b-4-schedule-of-tariff-commitments-of-the-united-kingdom.pdf

⁸ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1040788/uk-australia-free-trade-agreement-fta-annex-2b-part-2b-4-schedule-of-tariff-commitments-of-the-united-kingdom.pdf

sheep where it is one of the world's largest exporters. But as Australia already had 0⁹ tariffs on all these schedules and so the FTA maintains this difference in import tariffs between the two countries on eggs, and pigmeat this may indicate that the UK will maintain its tariff lines on sensitive products in other FTA negotiations if these are not a priority for the other country. Indeed the Secretary of State stated they did not remove these tariffs due to the disparity in standards¹⁰. Whether the UK will maintain them if it is a priority for the other country remains to be seen but the Australia deal is not a good indicator.

13. On the SPS Chapter, the RSPCA is pleased to see that the UK has confirmed that any imports must comply with our existing SPS requirements¹¹ and has put this as a win in its IA. This means that the current legal bans on imports of beef from cattle implanted with growth promoting hormones, chicken meat washed in chlorine or beef and pork from animals fed with feed containing ractopamine injected with ractopamine will continue. However the SPS Chapter only states that any SPS measures will be based on science. This seems to be a retrograde step from the AiP which stated that each country respected each other's SPS standards. In 1998 the UK, as part of the EU, lost its case at the WTO to maintain its ban on imports of 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. It is unclear what this means in practice but it is assumed the UK received guarantees from Australia that these standards will not be challenged. The UK has previously stated it will maintain the EU's policy of auditing and visiting Australian abattoirs to assess their compliance with UK standards and ensure no beef from cattle implanted with growth-promoting hormones can be imported (around 40% of the beef herd in Australia receive such hormones).
14. Finally on the TBT provisions the RSPCA is pleased to see that the Chapter affirms that any labelling applies to imported and home produced goods and seems to permit mandatory labelling of imported products provided the same labelling is applied to UK products. Defra is presently considering its position on mandatory method of production labelling. The RSPCA supports in principle measures to bring in such labelling as this should at least provide consumers with information on how imported Australian agri food products were produced.
15. However, Annex 7A on Cosmetics is concerning, as it lacks detail and may enable a regression on the UK's animal welfare standards. Paragraph 22 states that: *'Neither Party shall require that a cosmetic product be tested on animals to determine the safety of that cosmetic product, unless there is no validated alternative method available to assess safety. A Party may, however, consider the results of animal testing to determine the safety of a cosmetic product.'* Testing cosmetics products on animals is banned in the UK, regardless of whether validated alternatives are available, so this paragraph could seriously undermine the UK's current position.
16. Paragraph 22 also completely fails to mention cosmetics ingredient testing, which is a significant omission. The Australian Industrial Chemicals Introduction Scheme (AICIS), implemented in July 2020, includes a ban on using data from animal tests for determining the risk of new cosmetic ingredients manufactured in, or imported into, Australia. There are exemptions in that animal test data can be considered for environmental hazards where there are no non-animal alternatives, and an introducer cannot ignore animal data that show the chemical could harm humans or the environment. The ban also does not apply to multi-use chemicals, like perfumes,

⁹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1041629/impact-assessment-of-the-free-trade-agreement-between-the-united-kingdom-of-great-britain-and-northern-ireland-and-australia.pdf

¹⁰ <https://hansard.parliament.uk/commons/2022-01-05/debates/0D922D6F-9A97-455D-90DE-275AA45D1AEB/UK-AustraliaFreeTradeAgreement>

¹¹ <https://www.gov.uk/government/publications/uk-australia-fta-summary-of-chapters/uk-australia-free-trade-agreement-chapter-explainers>

that may also be used in cleaning products. These exemptions are in line with current EU regulations.

17. The UK follows the European regulations at present. It is not permissible to undertake animal tests on cosmetics products regardless of whether there were alternatives, nor is it permissible to use any data generated from new animal tests to determine the safety - for consumers - of a cosmetics product. However, in 2021 the European Chemicals Agency (ECHA) ruled that some ingredients used only in cosmetics needed to be tested on animals under 'worker safety' legislation, as opposed to the Cosmetics Directive. The UK has yet to make its position completely clear on this issue now it has left the EU. The lack of detail in Annex 7A paragraph 22 may, therefore, enable the UK to water down its animal welfare standards on cosmetics in the future, in stark contrast to its previous commitments.
18. To at least maintain the UK's commitment to end the use of animals in cosmetics testing, the FTA should have simply stated that '*Neither Party shall require that a cosmetic product be tested on animals to determine the safety of that cosmetic product*'. It is deeply disappointing, and concerning, that exemptions were included. Annex 7A should also have included an absolute ban on animal testing ingredients that will exclusively be used in cosmetics, under any legislation. The wording, as it stands, enables the UK to lower its testing standards on cosmetics, should it choose to do so.

To what extent has the Government achieved its stated [negotiating objectives](#)?

19. The UK's stated negotiating objectives relevant to animal welfare were:
 - a. To strengthen research and cooperation;
 - b. To futureproof the agreement in line with the Government's ambition on climate change;
 - c. To not compromise on high animal welfare or food safety standards¹²;
 - d. To secure broad liberalisation of tariffs on a mutually beneficial basis, taking into account UK product sensitivities, in particular for UK agriculture;
 - e. To uphold the UK's high levels of public, animal, and plant health, including food safety.
20. 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
21. 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. It remains to be seen whether this has any great immediate impact as most of Australia's beef and lamb exports go to East Asia and the Middle East where presumably they earn more revenue than if exported to the UK. However as a first FTA it does not provide a good model for liberalising whilst taking into account UK sensitive products in future FTAs.
22. 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 climate change (Article

¹² <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>

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 FTA¹³.

To what extent does the FTA deliver on the UK-Australia [Agreement in Principle](#)?

23. There are a few differences to the AiP but in general the AiP gave the direction of travel on issues related to animal welfare. On the Goods Chapter, the tariff reductions on beef and lamb are what were set out in the AiP. On the SPS Chapter this language seems to have softened a little from recognising each other's SPS measures in the AiP to recognising the equivalence of standards if the other country can show its to achieve an appropriate level of protection. The Animal Welfare Chapter seems to have been enlarged from the AiP and non regression language inserted as well as putting in the link between sustainable agriculture and animal welfare standards, language that is in the EU-UK Trade and Cooperation Agreement¹⁴ so this may well have been a UK intervention. This is welcomed by the RSPCA.
24. However, the new Annex on Cosmetics within the Technical Barriers to Trade Chapter (7) is of concern (see above). This Annex may have been inserted by Australia to ensure that it could maintain its lower standards and export cosmetics products tested on animals to the UK. If so, we can only speculate as to why the UK apparently did not object, since most people in the UK are strongly opposed to testing cosmetics products and ingredients on animals, on both ethical and animal welfare grounds - as is the RSPCA. We hope that any lack of objection did not reflect a desire on the part of the UK Government to reduce standards on animal cosmetics testing, as a divergence from the EU regime.

How are the terms of the FTA between the UK and Australia likely to affect you, your business or organisation, or those that you represent?

25. The RSPCA, through its RSPCA Assured assurance scheme, is in the business of raising farm animal welfare standards and fulfilling public demand for such standards. Last year the business grew by 9%. In certain sectors, such as eggs, where RSPCA Assured covers around 55% of UK laying hen egg production, and pigs - where the standards cover 30% of UK pig production - this has successfully shown that the public are willing to put into place their aspirational behaviour and buy higher welfare products. Such standards would be under threat if the UK agreed trade deals that allowed in products produced to lower standards, as the standards and producers would be undermined by such products - especially given the cost differential in producing the product in the UK under higher welfare standards compared to lower standards in the third country. As the Government has given hugely preferential tariff reductions to Australia over the next 15 years in beef and sheep and as farm welfare standards are lower in Australia than UK, there is greater potential in products not produced to UK standards entering the UK from Australia. Such tariff reductions could result in a 60 fold increase in beef imports in 2022 and, for lamb, a four fold increase in lamb imported in 2022, if the TRQs are filled. However, as RSPCA Assured has very little market penetration in the beef and sheep market (less than 1% of production in either sector), the impact of the FTA on RSPCA Assured is likely to be minimal at this time. However, any increased imports of beef and lamb could also slow down/prevent growth of the RSPCA Assured scheme for these livestock species in the future. Ultimately this

¹³ <https://abcnews.go.com/International/wireStory/australia-climate-goals-uk-free-trade-deal-79911886>

¹⁴ Article 84 [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:22021A0430\(01\)&from=EN#d1e3952-10-1](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:22021A0430(01)&from=EN#d1e3952-10-1)

impact as well as the greater impact on the sheep and beef industry in Great Britain, will remain unknown for some years.

26. The impact on the people RSPCA represents, our supporters, is likely to be more. There is strong support amongst the public, 75% in one opinion poll¹⁵, for the Government to honour its commitment not to lower animal welfare standards in FTAs. This support is likely to be higher specifically amongst RSPCA supporters who are likely to feel let down by the Government for not keeping to their manifesto commitment.

**What is likely to be the impact of the agreement on:
the UK's economy as a whole?**

27. Minimal - the Government's own figures show it is targeted to increase exports by 55% but these will not be agrifood products and boost the economy by £2.3 billion (0.1% of current GDP)¹⁶

particular sectors of the UK economy?

28. On the farming sector, the export impact is expected to be minimal as Australia had 0 tariffs on most agri food imports prior to the FTA aside from cheese. But the impact of greater imports of beef and lamb could be higher, depending on how Australia uses the deal. It is expected, as most of Australia's beef and lamb trade already goes to China and the Middle East - both geographically closer - that Australia will not fill its TRQ even in 2022 as there is no spare capacity in the beef sector to rapidly increase production. In addition lamb is a cross seasonality trade, exported to the UK when lamb is not being produced in the UK so is not in direct competition. It is however a poor model for future FTAs, given the lack of conditionality in the FTA.

the UK's devolved nations and English regions?

29. As trade is a reserved matter, and farm animal welfare a devolved matter, the devolved countries have no say in what the UK agrees in FTAs. But any impact could be felt in those regions with significant lamb production, such as Wales, or a significant local beef production, such as Scotland. Under the Internal Markets Act 2020, any imports of food produced in other countries has to be allowed to be sold in the devolved nations. It is not clear if Australia will use the increased TRQs to export small amounts of high value beef or large amounts of low quality beef. Either way the impact on beef and lamb production in the UK's devolved nations is increased but unlikely to be seen for some years.

UK consumers?

30. Any impact to consumers would be limited to changes in prices or choice and an expectation that any products on sale in the UK are reared to UK standards. Any potential decreases in prices are limited to areas where tariffs have been reduced, such as beef, lamb, dairy products and wine, but only where those tariffs keep prices high and only if those tariff price reductions are passed on to the consumer. Wine tariffs, pre the FTA, were around 4% and currency exchange rates are far more important in determining on shelf wine prices than 0% tariffs. If Australia filled its lamb and beef TRQs this could result in large amounts of meat in the UK market not produced to UK standards. As the consumer has repeatedly stated that they do not want to see

¹⁵ Savanta ComRes. Poll of 1,000 people August 2020

¹⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1041767/ten-key-benefits-of-the-uk-australia-free-trade-agreement.pdf

products produced to lower than UK standards this makes the mandatory labelling of products based on how they were produced vital to ensure the consumer has the information required to make a choice. Defra is presently consulting on such labelling and whether to apply it to imported agri food products.

How well has the Government communicated its progress in negotiations – and how much has it listened to stakeholders during those negotiations?

31. Communication from the Government has been appalling, limited to irregular zoom meetings with the lead trade negotiators which revealed very little not in the media. Indeed the RSPCA gained most of its information on the AiP from what the Australian Government placed on its website or revealed to civil society rather than the Department for International Trade (DIT) website and information gathered by RSPCA Australia has been more relevant and detailed than that supplied by the DIT to the RSPCA in the UK.
32. There has been no mechanism for the RSPCA, or indeed other stakeholders, to respond to the DIT during negotiations. This contrasts to mechanisms that Defra, the lead Ministry on agri-food issues, set up to liaise with the RSPCA and other stakeholders during the negotiations.
33. The UK has yet to publish its trade strategy. It took nine months to respond to the report from the Trade and Agriculture Commission and in particular its recommendation to only liberalise trade on agri food products based on conditionality. It is clear now why there was this gap: there is no conditionality on standards in the Australia-UK FTA and the UK Government did not want to reveal this lowering of its standards before the FTA was agreed.
34. Communication between civil society and the trade negotiators is much better in the EU and the USA with an established civil society group forum. Even without such a forum in Australia the Government was more transparent and gave more regular communications than in the UK.

- What lessons and inferences for other current and future negotiations can be drawn from how the Government approached, and what it secured in, the FTA with Australia?

35. The Government obtained some useful language on animal welfare and by placing the animal welfare Chapter outside the SPS Chapter showed that animal welfare standards were different to and separate from SPS standards. It should use the Animal Welfare Chapter as a model for future FTAs.
36. The Government did not set conditionality as a red line in negotiations to ensure there was equivalency of standards with products that were important to Australia such as beef, lamb and dairy. However it was able to maintain its MFN tariffs on other sensitive tariff lines such as pigmeat and dried and liquid eggs which were not an Australian priority. The Government should ensure it has a list of core standards for animal welfare which it will utilise to ensure any reduction in tariffs is only given to those products produced to UK standards. The RSPCA has developed such as process and list¹⁷. This will be especially vital when it starts negotiations with Canada, India and Mexico where there is a longer list of agri food products that could be imported and undercut UK standards as the in-country standards in these areas such as pig production, eggs and chickens are much lower than legally permitted in the UK.

¹⁷ <https://tawcuk.org/738-2/>