

Secret talks over cattle export ban compo

7.30 By Hayden Cooper

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A year after animal cruelty in Indonesian abattoirs brought the live export cattle trade to a standstill, the industry is in secret compensation talks with the Federal Government.

But people within the industry say the Meat and Livestock Association should be the focus of any claim, alleging it was aware of the problem well before footage aired on [ABC's Four Corners program](#).

With new and stronger auditing requirements the trade has resumed, but according to the industry in the Northern Territory the damage is still being felt.

"It's still pretty tough up here. Cattle production isn't like retail or manufacturing where you can just close the doors and reopen the doors later on," the Northern Territory Livestock Exporters Association's Kevin Mulvahil said.

"Producers normally put the profits they make into next year's production, so from their point of view it's a very tough year this year."

Official surveys at the time revealed more than 300 employees were laid off at farms across the Top End, but Mr Mulvahil says the job losses represent only a small portion of the damage.



PHOTO: Indonesia's quota of cattle from Australia remains well down on what it was before the ban. (Ben Collins, file photo: ABC Local)

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"Everyone involved lost significant amounts of money - from stockfeed suppliers, holding yards, trucking companies as well as producers, the live exporters, ship owners and right down through the chain to the people in feedlots in Indonesia where they rely on the live export industry to provide income for hundreds of thousands of people," he said.

Now, a statement of risk from the federal budget papers shows a potential class action has been received from a law firm on behalf of 21 clients.

"The Australian Government may become liable for compensation following the decision by the Minister for Agriculture, Fisheries and Forestry to suspend the export of livestock to Indonesia for a period of one month in 2011," the papers said.

Minter Ellison is the law firm leading the negotiations.

None of the claimants will comment on the negotiations and most people in the cattle export industry know nothing about it.

But 7.30 understands the group is making a claim for hundreds of millions of dollars in compensation from the Government.

The Department of Agriculture, Fisheries and Forestry has also received a claim under the scheme of compensation for detriment caused by defective administration, from a law firm on behalf of three of its clients.

'Someone has to pay'

The case has not reached the courts but is instead a direct negotiation with the Government.

To this day, Indonesia's quota of cattle from Australia is well down on what it was before the ban and independent federal MP Bob Katter says someone has to pay.

"There are many cattlemen up here, their losses would've been close to \$1 million or pretty close to it and there would've been a lot of them," he said.

"As I understand it, Indonesia has said 'we've had a gutful'."

Mr Katter likes the chances of a class action but says it should be directed at Meat and Livestock Australia (MLA), not the Government.

"The body that was paid a \$100 million a year to look after our interests quite frankly had done nothing whatsoever," he said.

"So I mean there's a magnificent case for a class action, but I would think that the MLA would be caught in the action here."

'They had the knowledge'

The MLA is not the target of this action, but other industry lawyers agree they should be.

Cattle industry lawyer Norman Hunt says the industry body knew of animal cruelty but failed to stop it.

"They had the knowledge, in a joint report published in 2010, and really failed to let the industry know there's a time bomb ticking - they allowed the time bomb to explode," he said.

Mr Hunt is advising his clients to wait for the negotiations with the Government to be resolved before taking action.

"I think the claims could be significant. I'm not sure if it really is hundreds of millions of dollars, but there are lots of people who had bought properties in the Top End specifically for the live export trade," he said.

"The value of those properties dropped as a consequence, a lot of people got caught with cattle ready to go that they couldn't send, and had to sell at a huge discount on the domestic market so the potential claim could be quite significant."

Agriculture Minister Joe Ludwig says he cannot talk about the class action.

In the past he has steadfastly maintained he did the right thing in ordering the export ban, but behind the scenes the case is far from closed.

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