



Australian Government

**Department of Agriculture,
Water and the Environment**

Exporter Supply Chain Assurance System Regulatory Performance Report

1 October to 31 December 2020

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1 OVERVIEW

The Exporter Supply Chain Assurance System (ESCAS) requires exporters to have arrangements with supply chain partners (i.e. importers, feedlots, abattoirs) in importing countries to provide humane treatment and handling of feeder and slaughter livestock¹ from arrival through to point of slaughter. As ESCAS only applies to feeder and slaughter livestock, the statistics in the report refer only to feeder and slaughter exports. ESCAS does not apply to the export of breeder livestock. ESCAS is underpinned by the following key principles – animal welfare, control and traceability – whereby the exporter must demonstrate, through a system of reporting and independent auditing of their supply chains:

- animal handling and slaughter meets World Organisation for Animal Health (OIE) animal welfare standards (animal welfare)
- the exporter has control of all supply chain arrangements (including having agreements in place with supply chain partners) for the transport, management and slaughter of livestock, and that all livestock remain in the supply chain (control)
- the exporter can account for all livestock through the supply chain (traceability).

If issues arise, ESCAS requires exporters to address any non-compliance matters within their supply chains. This may be managed by undertaking additional steps or corrective actions at facilities (for example delivering training or upgrading infrastructure), removing non-compliant facilities from a supply chain, or suspending exports of livestock to a supply chain.

Additionally, the ESCAS regulatory framework enables the Department of Agriculture, Water and the Environment to assess information about reported non-compliances with ESCAS requirements and take regulatory action where appropriate. Reports are generally received through one of four pathways: self-reported by exporters, reported by third parties (for example animal welfare organisations or private citizens in an importing country), reported by industry, or identified by the department itself. Reports are assessed by the department using the [guideline for the management of non-compliance](#).

In response to ESCAS non-compliance, the department may apply regulatory actions to an ESCAS, or in more serious instances to an exporter or an entire market. This may include revoking an ESCAS, varying an ESCAS to remove facilities or apply additional conditions, or suspending or cancelling an exporter's licence. Regulatory action is applied based on the nature of the non-compliance, and any corrective actions implemented by the exporter is taken into consideration.

¹ 'Livestock' refers to cattle, sheep, goats, deer, buffalo and camelids.

2 PERIOD SUMMARY: 1 OCTOBER TO 31 DECEMBER 2020

Below is a summary of the number of feeder and/or slaughter livestock exported, number of reports received, and number of assessments completed during this period (1 October to 31 December 2020).

2.1 Livestock exported

During this period 373,397 livestock were exported under ESCAS arrangements. 14 countries imported these livestock. The number by species exported to each country is presented in Table 1.

Table 1 Summary of livestock exported - 1 October to 31 December 2020

Country	Buffalo	Cattle	Goats	Sheep	Total
Brunei Darussalam	221	3469			3690
China		3498			3498
Indonesia	1377	89960			91337
Israel		15387		13900	29287
Japan		3910			3910
Jordan				35579	35579
Kuwait		464		70309	70773
Malaysia		2339	1672	6322	10333
Oman				7000	7000
Philippines		5345			5345
Qatar		400		20000	20400
Sarawak		100			100
United Arab Emirates		304		15300	15604
Vietnam	2394	74147			76541
Grand Total	3992	199323	1672	168410	373397

2.2 Reports received and completed

During this period, the department received 2 reports of non-compliance with ESCAS requirements. These reports involved supply chains in Japan and Vietnam. A summary of reports received and completed is presented in Table 2.

Table 2 Summary of reports received and completed - 1 October to 31 December 2020

Report type	Outstanding reports as at 31 September 2020	Reports <u>received</u> in current period	Assessments <u>completed</u> in current period	Assessments remaining in progress as at 31 December 2020 ²
ESCAS	5	1	2	4
Self-reports ³	0	1	1	0
Total	5	2	3	4

² A summary of assessments in progress is provided in Section 6 of this report.

³ These reports were received within the required time frame, appropriate corrective action was implemented by the exporter and no regulatory action was taken by the department. A summary of these reports is provided in Section 5 of this report.

3 SUMMARY OF ESCAS NON-COMPLIANCE ASSESSMENTS

3.1 Overview of findings

An overview of findings for ESCAS assessments completed in this period is provided in Table 3. A detailed summary for each assessment is provided in Section 4 of this report.

Table 3 Assessments **completed** - 1 October to 31 December 2020

#	Date reported	Source	Market	Species	Australian animals involved	Exporter	Summary of issues	Non-compliance finding
179	Jul 2020	Self-reported by exporter	Jordan	Sheep	996	Livestock Shipping Services Pty Ltd	Loss of control and traceability	Critical non-compliance
181	Aug 2020	Animals Australia	Israel	Cattle	0	N/A	N/A	No confirmed non-compliance

4 ESCAS REGULATORY PERFORMANCE ASSESSMENTS

4.1 ISRAEL

Background

The Exporter Supply Chain Assurance System (ESCAS) was implemented in Israel on 1 September 2012.

As at 31 December 2020, there are 5 Australian exporters with approved supply chains to export livestock to Israel.

Since 2011, the department has previously completed assessments of 27 reports relating to non-compliance in Israel. The assessments can be found at [Regulatory Compliance Investigations](#). As at 31 December 2020, no reports of non-compliance are under assessment for Israel.

Report #181: Cattle exported to Israel – No confirmed non-compliance

Incident report

On 11 August 2020, the Department of Agriculture, Water and the Environment received a report from Animals Australia alleging non-compliance with ESCAS control and traceability requirements in Israel (Gaza). Animals Australia reported “the presence of two Australian bulls in Gaza at the same location”. The report included photographs of the cattle in the facility as well as location details. No animal welfare issues were reported.

Department assessment and actions

At the time of the report, three exporters had approved supply chains for cattle to Israel.

The department compared the Global Positioning System coordinates provided by Animals Australia against exporter supply chain records. The department confirmed that the facility referenced in the Animals Australia report was not approved in any of the exporters' supply chains.

The department reviewed the photographs provided by Animals Australia and determined:

1. the breed of cattle appeared similar to cattle sourced from Australia
2. the cattle had tipped horns consistent with Australian Standards for the Export of Livestock (ASEL 2.3) requirements
3. the cattle had ear notches which appeared consistent with the shapes and positions used in Australia
4. the cattle had tags in one ear consistent with those used to identify Portuguese cattle
5. no further identifiable information could be established from the photographs provided.

Animals Australia confirmed on 11 September 2020 that no additional information was available.

The department required the three exporters to determine whether any cattle they had exported from Australia were at the facility in question and if so, provide a management plan to remove the cattle and return them to the approved supply chain. The exporters were also required to provide:

- property of origin and tag lists for all cattle exported to Israel since 1 July 2019

- full reconciliation reports for all cattle consignments exported to Israel from 1 July 2019
- current control and traceability contracts and documentation for Israel supply chains.

The department reviewed the property of origin and tag details for all cattle exported to Israel since 1 July 2019 and determined that the ear notches observed in the photographs provided by Animals Australia did not match any registered Australian ear notch for cattle exported during this period. Reconciliation and processing reports showed no loss of control or traceability.

Exporter actions

Of the three exporters, two had exported cattle to Israel since 1 July 2019 and denied any loss of control or traceability. After receiving notification from the department, one exporter sent a representative to the facility to determine if the cattle observed were Australian. They advised that the owner of the facility reported no Australian cattle were in the facility.

Department actions and conclusions

Based on the evidence and information provided by Animals Australia and exporters, the department determined there was insufficient evidence to confirm if the cattle observed were sourced from Australia. In assessing this matter against the [Guideline for the Management of Non-compliance](#), the department did not record a non-compliance with ESCAS control and traceability requirements against any exporter's supply chain.

4.2 JORDAN

Background

The Exporter Supply Chain Assurance System (ESCAS) was implemented in Jordan on 1 September 2012.

As at 31 December 2020, there is one Australian exporter with approved supply chains to export livestock to Jordan.

Since 2011, the department has previously completed assessments of 9 reports relating to non-compliance in Jordan. The assessments can be found at [Regulatory Compliance Investigations](#). As at 31 December 2020, no reports of non-compliance are under assessment for Jordan.

Report #179: Sheep exported to Jordan – Critical non-compliance

Incident report

On 28 July 2020, Livestock Shipping Services Pty Ltd notified the Department of Agriculture, Water and the Environment advising of possible non-compliance with Exporter Supply Chain Assurance System (ESCAS) requirements for sheep in their Jordan supply chain.

On 31 July 2020, Animals Australia submitted a report to the department, alleging non-compliance with ESCAS control and traceability requirements. Animals Australia provided a link to a video on a Jordanian Facebook page and reported that ‘the video shows Australian sheep outside of approved supplied chains. The sheep are in the pens and more sheep are being loaded off the truck. Further, the sheep are being dragged and pulled by their front legs, back legs and heads by the sellers and handlers.’

LSS confirmed that they were already aware of the incident reported by Animals Australia and had started implementing corrective actions, as per their report on 28 July 2020.

On 4 August 2020, Animals Australia provided further details of Australian sheep observed at 9 additional facilities in Jordan between 17 July and 1 August 2020 (In 2020, Eid-al-Adha (the Islamic festival of sacrifice) was celebrated between 30 July and 3 August). Non-compliant handling and/or slaughter was alleged at 5 of these facilities. Animals Australia provided photographs, video footage and screenshots taken at the facilities.

Exporter findings

On 3 August 2020, LSS provided an interim report to the department. A full report was provided on 27 August 2020.

LSS identified that one feedlot in their supply chain sold a total of 996 sheep to 8 separate public livestock markets outside the approved supply chain, some of which were identified in Animals Australia’s report. LSS recovered 285 sheep from 5 of the facilities and recovered an additional 146 sheep from temporary roadside pens. The 431 recovered sheep were returned to the approved supply chain. The remaining 565 sheep are unable to be accounted for.

LSS reviewed the traceability documentation and performed physical reconciliations at all other approved facilities in their supply chain. LSS did not identify any further loss of control or traceability.

Exporter actions

The implicated feedlot and associated abattoir were removed from the supply chain and all remaining sheep were moved to another approved facility in LSS's supply chain.

In response to this report, LSS proposed to implement the following actions for Eid-al-Adha 2021. LSS will review these proposed actions in the lead up to Eid al Adha 2021 when developing their final management plan.

- Increased number of physical reconciliations of sheep in the supply chain in the weeks prior to Eid-al-Adha
- Reduce the number of approved facilities which will be given permission to process and sell sheep during Eid-al-Adha based on past compliance. Facilities that are approved to process and sell sheep during Eid-al-Adha will have a smaller holding capacity to allow for easier control and reconciliation
- Increased exporter oversight of approved facilities prior to and during Eid-al-Adha
- Surveillance of unapproved facilities to identify any sheep that may have left the supply chain

Department assessment and actions

The department assessed the video footage provided by Animals Australia and confirmed that non-compliant handling and/or slaughter of sheep occurred at 5 unapproved locations. Of the 10 locations reported by Animals Australia:

- Two locations were approved in LSS's supply chain. No non-compliance was identified at the facilities.
- Three locations reported were deemed to be different areas of one single location.
- Non-compliance could not be substantiated at one location.

LSS identified Australian sheep were at an additional 5 unapproved locations.

Based on the location information provided by LSS and Animals Australia, the department determined that Australian sheep were observed at a total of 10 unapproved locations by Animals Australia and LSS representatives.

Department conclusions

Based on evidence and information provided by Animals Australia and LSS, the department determined that loss of control and traceability has occurred for 996 sheep, to a total of 10 unapproved locations, with non-compliant handling and slaughter observed at 5 unapproved

locations. 431 sheep were returned to the approved supply chain; 565 are unable to be accounted for.

The department accepted LSS's response and did not require any further immediate action. The department will require LSS to develop and implement a more robust management plan for Eid 2021, including a thorough risk assessment in the months leading up to Eid al Adha 2021.

In assessing this matter against the [Guideline for the Management of Non-compliance](#), the department recorded 8 instances of *critical* non-compliance with ESCAS control requirements against the LSS Jordan sheep supply chain.

4.3 ESCAS ISSUES IDENTIFIED AND ADDRESSED BY EXPORTERS

Exporters provided reports to the department regarding their supply chains in the below markets. The reports complied with the department's ESCAS self-reporting requirements. The reports were received within the required time frame, appropriate corrective action was implemented by the exporter and no regulatory action was taken by the department.

Table 4 ESCAS issues identified and addressed by exporters - 1 October to 31 December 2020

#	Market	Species
1	Japan	Cattle

5 SUMMARY OF ASSESSMENTS IN PROGRESS AS AT 31 DECEMBER 2020

Table 5 provides an overview of all regulatory performance assessments in progress as at 31 December 2020. The status of all reviews can be found at [Regulatory Compliance Investigations](#).

Table 5 Summary of ESCAS regulatory performance assessments in progress as at 31 December 2020

#	Date reported	Source	Market	Species	Report
180	August 2020	Animals Australia	Indonesia	Cattle	Loss of control, traceability, and animal welfare concerns
182	August 2020	Third party	Vietnam	Cattle	Loss of control, traceability, and animal welfare concerns
183	September 2020	Self-report	Vietnam	Cattle	Animal welfare concerns
184	December 2020	Self-report	Vietnam	Cattle	Loss of control, traceability, and animal welfare concerns