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## **Summary**

On 19 July 2013, Wellard Rural Exports Pty Ltd (Wellard) reported to the department a non-compliance with Exporter Supply Chain Assurance System (ESCAS) requirements for a consignment of 45,700 sheep exported to Jordan on 2 May 2013. Wellard advised that 6,950 sheep had been slaughtered at an abattoir that was not included in the company's approved supply chain. The abattoir is on the same site as a feedlot included in the approved supply chain.

The abattoir had been audited on 18 May 2013 and found to be compliant with ESCAS requirements. Wellard applied to the department to have the abattoir added to their approved supply chain on 10 June 2013. On 7 August 2013 the variation to include the abattoir in the supply chain was approved by the department.

Wellard provided details of the corrective actions the company had put in place. The department accepted these corrective actions and recorded a minor non-compliance against the company as no animal welfare issues were identified.

### **1. Investigation Findings**

As part of another investigation, Wellard was asked to provide the department with a reconciliation of sheep exported to and slaughtered in its approved supply chain in Jordan. While preparing this information, Wellard discovered that sheep had been slaughtered at an abattoir that was not included in the company's approved supply chain. The abattoir is on the same site as a feedlot included in the approved supply chain.

The company discovered the sheep were slaughtered at the abattoir between 20 May and 3 July 2013.

The department reviewed the documentation submitted by Wellard for the consignment as well as the department's approval conditions for the consignment. The assessment confirmed that the company had complied with all conditions of approval, apart from the requirement that sheep may only be moved to facilities included in the approved supply chain.

Wellard reported that based on observations from the principal of the abattoir and records held at the abattoir, the sheep were slaughtered in accordance with international animal welfare standards and that animal welfare had not been compromised.

Standard operating procedures and guidance manuals on animal welfare were provided to the abattoir in April 2013 and subsequently implemented. Additionally, a Wellard representative conducted training for abattoir staff in May 2013.

The company had arranged for a gap analysis to be conducted by Meat and Livestock Australia to determine if there were areas where the abattoir needed to modify its facilities or practices to meet international animal welfare standards for handling and slaughtering sheep, in accordance with ESCAS requirements. The analysis was conducted on 11 May 2013 at the abattoir. The analysis identified infrastructure improvements were required and these improvements were made.

On 18 May 2013 the abattoir underwent an independent audit to assess compliance with ESCAS requirements. During the audit the auditor noted the outcomes from the gap analysis as non-compliances, however also noted that the required infrastructure changes had been made, and closed the non-compliances out at the time of audit.

Following the audit, the operator of the feedlot incorrectly believed approval had been received to process sheep at the abattoir. The department approved a variation to the Wellard ESCAS to include the abattoir for use in the supply chain on 7 August 2013.

The investigation concluded that, based on the report of the independent audit conducted on 18 May 2013, the sheep slaughtered at the abattoir between 20 May and 3 July 2013 were most likely handled and slaughtered in accordance with international animal welfare recommendations. However, the facility had not been approved by the department to be included in the Wellard supply chain.

## **2. Actions taken by the Exporter**

When Wellard discovered that sheep were being slaughtered at an abattoir not included in the approved supply chain, the company instructed the importer to cease sending sheep to that abattoir. On 19 July 2013 Wellard reported a non-compliance with their approved ESCAS.

Following the non-compliance report Wellard has reviewed their internal processes and taken corrective measures, putting in place further controls to ensure that the approval process for variations to the ESCAS are clearly understood by their importers. Wellard has implemented standard operating procedures for control and traceability of their supply chains and a process where facilities are only used when written “permission to proceed” is received from Wellard.

## **3. Investigation Conclusions**

There was a communication breakdown between Wellard and the importer about the process for adding new facilities to an approved ESCAS. The facility was in the process of being prepared to be added to the importer’s list of approved facilities, as evidenced by the MLA gap analysis, training of abattoir staff by Wellard, infrastructure improvements and independent audit. The importer did not send any sheep to the facility before the independent audit confirmed the abattoir met the requirements of ESCAS. Wellard has implemented additional procedures as outlined above to prevent the misunderstanding happening again.

This incident will be recorded as a minor non-compliance. The department determined there was a loss of control due to a breakdown in communication between the exporter and their supply chain partners about the approval process for new facilities.

The department will continue to monitor the performance of the supply chain.