

Exporter Supply Chain Assurance System Regulatory Performance Report

1 September 2016 to 30 November 2016

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1 OVERVIEW

The Exporter Supply Chain Assurance System (ESCAS) requires exporters' to have commercial arrangements with supply chain partners (i.e. importers, feedlots, abattoirs) in importing countries to provide humane treatment and handling of livestock from arrival in the importing country up to the point of slaughter. 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:

- 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 trace or account for all livestock through the supply chain (traceability).

If issues arise, ESCAS provides a mechanism to require exporters to address any non-compliance matters within their supply chains. This may be managed by undertaking additional steps at facilities (e.g. delivering training, upgrading infrastructure), by removing non-compliant facilities from a supply chain, or by not exporting any further livestock to a non-compliant supply chain.

Additionally, the ESCAS regulatory framework enables the Department of Agriculture and Water Resources to review and investigate reported non-compliance with ESCAS requirements and take regulatory action where appropriate. Reports are generally received through one of four pathways: third parties (for example, Animals Australia or private citizens in an importing country), industry, directly from exporters, or identified by the department itself. Reports are reviewed by the department using the *Guideline for the management of non-compliance* (<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/non-compliance>).

In response to an ESCAS non-compliance, the department may apply regulatory actions to an ESCAS supply chain or, in more serious instances, to an exporter or an entire market. This may include cancelling an ESCAS, varying an ESCAS to remove facilities or apply additional conditions (see section 3.2), cancelling or suspending an export licence, or reprimanding an exporter. Regulatory action is applied based on the nature of the non-compliance and level of associated risk, with any corrective actions implemented by the exporter to mitigate risks taken into consideration.

2 PERIOD SUMMARY: 1 SEPTEMBER 2016 – 30 NOVEMBER 2016

From 1 September 2016 to 30 November 2016, more than 670,000 livestock (buffalo, cattle, goats and sheep) were exported in 149 consignments approved under ESCAS requirements from Australia to 13 markets (Table 1) by 15 exporters.

Table 1 - Markets for Australian Livestock exported under ESCAS - 1 September 2016 to 30 November 2016

Brunei Darussalam	Malaysia (including Sarawak)	Turkey
Indonesia	Oman	United Arab Emirates
Israel	Philippines	Vietnam
Japan	Qatar	
Kuwait	Singapore	

During this period, the department received reports of non-compliance with ESCAS requirements involving supply chains in Kuwait, Lebanon, Malaysia, Oman, United Arab Emirates and Vietnam.

Eleven non-compliance investigations were completed and published by the department in eighteen reviews (including seven sub-reports) with 23 findings of non-compliance (Table 2). During this period, the department recorded seven critical, eight major and six minor findings of non-compliance against ESCAS supply chains or facilities.

Table 2 Summary of findings of ESCAS non-compliance - reviews completed 1 September 2016 to 30 November 2016

Market	Reports	Finding				
		Critical	Major	Minor	No confirmed	No non-compliance
Malaysia	2	0	2	0	0	0
Vietnam	16	7	6	6	0	2
Total	18	7	8	6	0	2

3 ESCAS NON-COMPLIANCE REVIEWS

3.1 Overview of findings

An overview of findings for reviews completed in the period 1 September 2016 to 30 November 2016 is provided in Table 3. A detailed summary for each review is provided in Section 4 of this report.

Table 3 ESCAS regulatory performance reviews completed 1 September 2016 to 30 November 2016

#	Date	Type	Market	Species	Animals reportedly involved	Exporter	Non-compliance finding
98	March 2016	Self-reported by exporter	Vietnam	Cattle	507	ILE	Major
99	April 2016	Self-reported by exporter	Vietnam	Cattle	447	Austrex	Major
101	May 2016	Self-reported by exporter	Malaysia	Cattle	Unknown	ILE	Major
102	May 2016	Self-reported by exporter	Malaysia	Cattle	Unknown	Halleen	Major
104	June 2016	Animals Australia	Vietnam	Cattle	90	SEALS (Austrex, FIN, ILE, NACC, Wellard)	Minor Major Major* Critical* Critical*
104 A	July 2016	Department identified	Vietnam	Cattle	464	FIN	Critical
104 B	June 2016	Department identified	Vietnam	Cattle	18	SEALS	Critical
104 C	September 2016	Self-reported by exporter	Vietnam	Cattle Buffalo	600	SEALS	Critical
104 D	July 2016	Self-reported by exporter	Vietnam	Cattle	5	(Austrex)	Major*
104 E	July 2016	Self-reported by exporter	Vietnam	Cattle	25	Austrex	Minor
104 F	July 2016	Self-reported by exporter	Vietnam	Cattle	92	Austrex	Critical* Major
104 G	June 2016	Animals Australia	Vietnam	Cattle	Nil	SEALS	No non-compliance
105	June 2016	Self-reported by exporter	Laos	Cattle	99	Austrex	No non-compliance
109	August 2016	Third Party	Vietnam	Cattle	Unknown	(LSS, ILE and Austrex)	Critical*
110	August 2016	Self-reported by exporter	Vietnam	Cattle	43	Wellard	Minor
111	August 2016	Self-reported by exporter	Vietnam	Cattle	74	LSS	Minor
112	August 2016	Self-reported by exporter	Vietnam	Cattle	1	Austrex	Minor

113	August 2016	Self-reported by exporter	Vietnam	Cattle	12	Wellard	Minor
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**Non-compliance was recorded against a facility. The department will consider the findings of this report when assessing any future applications to add the facility to an exporter's supply chain. (Exporters with these facilities approved are listed in brackets).*

3.2 Actions taken in response to ESCAS non-compliance reports

The department and exporters have implemented a range of regulatory, corrective and preventative actions in response to confirmed non-compliance.

Regulatory action applied by the department this period included:

- suspending and/or removing non-compliant facilities and importers from ESCAS supply chains
- directing two exporters to cease supply of livestock
- raising the risk rating of facilities, requiring them to be audited more frequently
- reviewing all Vietnam exporters' control and traceability systems
- requiring exporters to provide their management plans for animals in suspended facilities
- conducting follow-up audits of all Vietnam exporters' control and traceability systems to assess the effectiveness of corrective actions
- directing exporters to reconcile stock in supply chains, and review manageability of their supply chains
- requiring exporters to directly employ staff (Animal Welfare Officers) to manage the slaughter of animals remaining in supply chains affected by non-compliance.

Corrective actions implemented by exporters this period included:

- providing additional training to staff at facilities
- suspending supply of livestock to facilities
- revising processes and implementing improved control and traceability measures
- appointing Animal Welfare Officers (AWOs) to oversee animal welfare and control and traceability requirements at facilities
- placing on-the-ground staff at facilities to secure facilities and prevent further non-compliant movement of cattle
- liaising with importers and facilities to reiterate ESCAS requirements
- performing assessments of supply chain traceability and completing additional independent audits of facilities
- updating supply chain monitoring and verification processes
- upgrading traceability systems
- removing facilities in high risk areas from supply chains

4 ESCAS REGULATORY PERFORMANCE REVIEWS

Markets

- Malaysia – Reports 101 and 102
- Vietnam – Reports 98, 99, 104, 104(A-G), 105, 109, 110, 111, 112 and 113

Exporters

Austrex	Australian Rural Exports Pty Ltd	Halleen	Halleen Australasian Livestock Traders Pty Ltd
FIN	Frontier International Northern Pty Ltd	ILE	International Livestock Exports Pty Ltd
LSS	Livestock Shipping Services Pty Ltd	NACC	North Australian Cattle Company Pty Ltd
SEALS	South East Asian Livestock Services Pty Ltd	Wellard	Wellard Rural Exports Pty Ltd

Acronyms and abbreviations

AWO	Animal Welfare Officer	ESCAS	Exporter Supply Chain Assurance System
IPAR	Independent Performance Audit Report	NLIS	National Livestock Identification System
RFID	Radio Frequency Identification Device	SOP	Standard Operating Procedure

Description of Supply Chain Elements

Depot	A facility where livestock is rested between journey(s) or holding facilities in a particular region where livestock are delivered from farms for assembly before a journey.
Feedlot	A facility where livestock are gathered to be fattened for market.
Abattoir	A facility used for the slaughter of livestock and production of meat or meat products

4.3 MALAYSIA

Background

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

As at 30 November 2016, a total of 277 consignments of livestock have been exported under ESCAS arrangements to Malaysia in 2016, including 1212 buffalo, 30 036 cattle, 41 901 goats and 56 035 sheep. This makes Malaysia the largest for goats and the fourth smallest market for sheep by volume in 2016. There are currently ten Australian exporters with approved supply chains to export livestock to Malaysia.

The department has previously published reviews of ten reports relating to non-compliance in Malaysia. From these reports, four findings of non-compliance have been recorded against exporter supply chains. The reviews can be found at:

<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/investigations-regulatory-compliance>.

As at 30 November 2016, there are two reports of non-compliance under investigation for Malaysia.

Report # 101: Cattle exported to Malaysia

Incident Report

On 4 May 2016, The Department of Agriculture and Water Resources received a self-report from International Livestock Export (ILE) detailing non-compliance with Exporter Supply Chain Assurance System (ESCAS) traceability requirements in Malaysia. The report was about access to a feedlot in their approved supply chain in Malaysia.

ILE reported that on the 25 March and 28 April 2016, the supply chain officer (SCO) was denied access to perform a physical count or scan cattle at the facility.

As the facility owner refused the SCO access required to count cattle, the exporter was not able to adequately demonstrate their ability to maintain control or ensure traceability within the supply chain.

Exporter actions

ILE were able to access the facility on 12 July 2016 and performed a physical reconciliation which did not identify any loss of control or traceability.

ILE held a meeting with the facility owner on 10th August 2016 to discuss the suspension of the feedlot in May 2016 and their terms for re-establishing the supply chain and ESCAS. The facility owner agreed to the following procedures in order to reopen the supply chain:

- An internal random audit of their facility to be undertaken by the supply chain officer.

- Four new slaughter facilities to be established close to the feedlot.
- An independent audit to be conducted within two weeks of being re-established.
- A new ESCAS agreement signed with the facility owner confirming access arrangements, audits on control and traceability.

Department assessment

The department accepted the report and reviewed past independent audits which identified no non-compliance.

The feedlot was approved in two other exporters' supply chains— Halleen Australasian Livestock Traders and Australian Rural Exports—and was the same feedlot as in [Report #102](#). The feedlot had a risk rating of *low* and no other reports of non-compliance have been received in relation to the feedlot.

Under ESCAS requirements, exporters must be allowed access to facilities in their approved supply chains at any time to confirm their animals are present.

Department actions and conclusions

This feedlot was also involved in [Report #90](#) resulting in a minor non-compliance. In response to Report #90, on 18 May 2016 the department suspended the facility and advised the exporter that no further cattle exported by them may be transported to the facility.

On 28 September 2016, ILE requested to have the facility re-instated into their supply chain. ILE advised that the facility owner had agreed that ESCAS requirements for traceability would be adhered to. The audit was performed on 1 September 2016 with no non-compliance identified.

The owner further agreed that they would:

- fully co-operate with ILE and provide access to the feedlot for random audits to be carried out by ILE staff and any third party staff appointed by ILE for independent audits; and
- supply weekly movement reports to the exporter.

On 1 November 2016, the department reinstated the use of the facility subject to additional conditions. The department has also raised the risk ratings for the facility from low to medium requiring the facility to be audited more frequently.

The exporter's control and traceability systems were able to identify the non-compliance, however revealed issues with control relating to their supply chain.

In assessing this matter against the guidelines for management of non-compliance (<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory->

[framework/compliance-investigations/non-compliance](#)), the department recorded a *major* non-compliance with ESCAS control, traceability requirements against the ILE supply chain.

Report # 102: Cattle exported to Malaysia

Incident Report

On 4 May 2016, The Department of Agriculture and Water Resources received a self-report from Halleen Australasian Livestock Traders (Halleen) detailing non-compliance with Exporter Supply Chain Assurance System (ESCAS) traceability requirements in Malaysia. The report was about access to a feedlot in their approved supply chain in Malaysia.

The exporter reported that since 4 May 2016, the owner of an approved feedlot in their supply chain had been uncooperative in their attempts to access the facility where their cattle were being held.

The facility owner refused the exporters representative access to count cattle. The exporter was not able to adequately demonstrate its ability to maintain control or ensure traceability within the supply chain.

During the course of the investigation, Halleen added another feedlot to their supply chain. The department subsequently identified that the owner of the feedlot is the same person who owned the facility implicated in this report.

Exporter actions

After identifying the non-compliance, Halleen implemented the following corrective actions:

- staff conducted multiple meetings with the owner of the facility. During these meetings the facility recommitted to meeting all ESCAS requirements.
- offered and conducted training within their supply chain.
- removed both feedlots operated by this person.

Department assessment

The department accepted the findings as reported by Halleen, and reviewed past independent performance audits from December 2015 and March 2016 which identified no non-compliance.

The feedlot was approved in two other exporters' supply chains—International Livestock Exports and Australian Rural Exports—and was the same feedlot as in [Report #101](#). The feedlot had a risk rating of *low* and no other reports of non-compliance have been received in relation to the feedlot.

Under ESCAS requirements, exporters must be allowed access to facilities in their approved supply chains at any time to confirm their animals are present.

Department records indicated that another facility in the supply chain was owned by the same person as the as the facility that had refused access to the exporter.

Department actions and conclusions

This feedlot was also involved in [Report #90](#) resulting in a *minor* non-compliance. In response to Report #90, on 18 May 2016, the department suspended the facility and advised the exporter that no further cattle exported by them may be transported to the facility.

On 27 September 2016, Halleen advised the department that slaughter of their remaining cattle was completed by 6 September 2016. Halleen requested that both feedlots be removed from their supply chain which was approved by the department on 28 September 2016.

The exporter's control and traceability systems were able to identify the non-compliance, however revealed issues with control relating to their supply chain.

In assessing this matter against the guidelines for management of non-compliance (<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/non-compliance>), the department recorded a *major* non-compliance with ESCAS control and traceability requirements against the Halleen supply chain.

4.7 VIETNAM

Background

The Exporter Supply Chain Assurance System (ESCAS) was implemented in Vietnam on 31 December 2012.

As at 30 November 2016, a total of 67 consignments of livestock have been exported under ESCAS arrangements to Vietnam in 2016, including 3 981 buffalo and 178 821 cattle making it the largest market for buffalo and the second largest for cattle by volume in 2016. There are currently nine Australian exporters with approved supply chains to export livestock to Vietnam.

Table 4 – Vietnam ESCAS and consignment information

Year	Cattle Exported	Buffalo Exported	ESCAS Non-compliance Reports Received	Cattle Supply Chains	Buffalo Supply Chains	Approved Abattoirs	Approved Feedlots
2013	68 000+	0	1	3	0	34	11
2014	178 000+	4500+	3	8	2	72	25
2015[^]	330 000+	4400+	13	8	2	105	51

2016	178 000+	3900+	21*	10	4	105	62
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**including seven sub-reports*

^One sheep & goat supply chain was approved in 2015. As at 30 November 2016, no sheep or goats have been exported to Vietnam under ESCAS.

The department has previously published reviews of 19 reports relating to non-compliance in Vietnam. From these reports, 17 findings of non-compliance have been recorded against exporter supply chains. The reviews can be found at:

<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/investigations-regulatory-compliance>.

As at 30 November 2016, there are five reports of non-compliance under investigation for Vietnam.

Report # 98: Cattle exported to Vietnam

Incident Report

On 31 March 2016, The Department of Agriculture and Water Resources received a self-report from International Livestock Export (ILE) detailing non-compliance with Exporter Supply Chain Assurance System (ESCAS) control requirements in Vietnam. The report was about the loss of control of 507 Australian cattle from their approved supply chain in Vietnam. ILE revised this number down to 498 animals after completing a full reconciliation of their supply chain.

The exporter reported that between 17 and 24 March 2016, Australian cattle were sold from an approved feedlot in their supply chain to 17 abattoirs that were not ESCAS approved.

The non-compliance was determined to be due to the actions of two staff who intentionally did not follow the standard operating procedures of the supply chain.

Exporter Actions

After identifying the non-compliance, ILE implemented the following corrective actions:

- ILE notified the importer to immediately stop the movement of Australian cattle outside the approved supply chain.
- ILE met with the importer's management to investigate the incident and review their processes to prevent future leakage and improve control and monitoring of the system.
- Two staff—including the head of the trading department—who sold the cattle outside the supply chain had their employment terminated.
- ESCAS training was conducted for new staff from 28 March to 1 April 2016, prior to notification of the department.

- ILE employed an independent auditor to conduct an audit of the feedlot to ensure the facility met ESCAS requirements. The audit was completed 29 April 2016 with no findings of non-compliance reported.
- On 11 April 2016, ILE arranged for an independent auditor to conduct assessments for all unapproved abattoirs which cattle had been moved to. Between 24 and 26 April 2016, the auditor examined restraint boxes, stunners and observed the slaughtering processes.

Department assessment

The department accepted ILE's report of the loss of 498 animals from their approved feedlot which were slaughtered in unapproved facilities.

The feedlot was in the approved supply chain of three exporters—Australian Rural Exports Pty Ltd, International Livestock Exports Pty Ltd and Livestock Shipping Services Pty Ltd—at the time. No previous reports of non-compliance have been received regarding the feedlot.

On 11 April 2016, ILE engaged an experienced ESCAS independent auditor to conduct assessments of all unapproved abattoirs which the cattle were moved to. The auditor's assessments found that eight of the unapproved facilities were compliant with ESCAS requirements with no animal welfare issues identified during the assessment. Another eight abattoirs were identified as non-compliant and needing substantial upgrades to comply with ESCAS requirements. These animals are unlikely to have been handled and slaughtered in accordance with ESCAS requirements.

Department actions and conclusions

The department raised the risk-rating of the facility from *medium* to *high* in August 2016 requiring it to be audited four times a year.

On 18 October 2016, as a result of [Report #104E](#), the department suspended the importer from the ILE supply chain. As a result, the feedlot no longer receives animals either.

The exporter's control and traceability system was able to identify the non-compliance, however revealed that individuals within the supply chain were selling cattle outside the approved ESCAS.

In assessing this matter against the guidelines for management of non-compliance (<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/non-compliance>), the department recorded a *major* non-compliance with ESCAS control and animal welfare requirements against the ILE Vietnam cattle supply chain.

Report # 99: Cattle exported to Vietnam

Incident Report

On 1 April 2016, The Department of Agriculture and Water Resources received a self-report from Australian Rural Exports Pty Ltd (Austrex) detailing non-compliance with Exporter Supply Chain Assurance System (ESCAS) control and traceability requirements in Vietnam. The report was about the loss of control and traceability of 447 Australian cattle from their approved supply chain in Vietnam. Eighty-one cattle were subsequently returned to the approved feedlot.

On 31 March 2016, the department received report from International Livestock Exports (ILE) in relation to the movement of Australian cattle outside their approved supply chain in Vietnam ([report # 98](#)). This report is related to the same importer and the same person was involved in selling the cattle to a facility outside their supply chain. ILE advised that the employment of the head of their trading department was terminated.

Austrex are unable to identify the abattoirs where the cattle were transported to with any certainty. However, they reported that between 18 and 26 March 2016, Australian cattle were sold from an approved feedlot in their supply chain to a mix of ESCAS approved and unapproved abattoirs. Due to the ongoing access issues relating to Bai Do village, no further information was able to be provided regarding where the cattle were slaughtered.

The non-compliance was determined to be due to the deliberate actions of one staff member who had operated outside direct orders from the importers senior management.

Exporter actions

After identifying the non-compliance, Austrex implemented the following corrective actions:

- An immediate investigation into the situation was undertaken to identify how the non-compliance had occurred and efforts made to recover the cattle and return them to the approved supply chain. 81 cattle were located and returned.
- A full reconciliation of livestock at the facility was completed and the person responsible for the sale of livestock had their employment terminated by the importer.
- Immediately provided on-the-ground staff to secure the facility and ensure further non-compliant movements did not occur.
- Austrex staff visited some of the facilities where the cattle were reported to have been slaughtered.
- An independent auditor was contracted to assess some of the facilities where cattle were reported to have been slaughtered. No further information regarding these assessments was provided.
- Two days of training was provided to staff to review ESCAS requirements and Standard Operating Procedures.
- An Austrex animal welfare officer was placed at the feedlot.

Department assessment

The department accepted Austrex's report that 366 Australian cattle were slaughtered outside the exporter's approved supply chain. These animals are unlikely to have been handled and slaughtered in accordance with ESCAS requirements.

The feedlot was in the approved supply chain of three exporters - Australian Rural Exports Pty Ltd, International Livestock Exports Pty Ltd and Livestock Shipping Services Pty Ltd - at the time. No previous reports of non-compliance have been received regarding the feedlot.

To determine whether other exporters had been affected, the department asked all three exporters with the feedlot in their approved supply chains to provide full reconciliations for all consignments using the facility in 2016 and include details of physical inspections undertaken at the feedlot. No further non-compliance was reported as a result of these reconciliations and inspections.

Department actions and conclusions

The department raised the risk-rating of the facility from *medium* to *high* in August 2016 requiring it to be audited four times a year.

On 18 October 2016, as a result of [Report #104E](#), the department suspended the importer from all exporters' supply chains. As a result, the feedlot no longer receives animals either.

The exporter's control and traceability system was able to identify the non-compliance, however revealed that individuals within the supply chain were selling cattle outside the approved ESCAS.

In assessing this matter against the guidelines for management of non-compliance (<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/non-compliance>), the department recorded a *major* non-compliance with ESCAS control, traceability and animal welfare requirements against the Austrex Vietnam cattle supply chain.

Report # 104: Cattle exported to Vietnam

Incident Report:

The Department of Agriculture and Water Resources met with Animals Australia on 9 June 2016 during which Animals Australia presented videos collected in Vietnam. The videos demonstrated poor animal handling and welfare outcomes at both ESCAS approved and unapproved facilities.

The formal complaint from Animals Australia was submitted on 10 June 2016, with additional information provided on 10, 13, 15 and 21 June 2016.

Animals Australia reported:

- Australian cattle were being sold to and slaughtered in non-approved facilities where they were stunned using sledgehammers.
- ear tags were being removed at approved facilities.
- non-compliant handling and slaughter at approved facilities.
- Australian cattle being moved from an ESCAS approved feedlot near Bai Do Village to an unapproved feedlot and unapproved abattoirs.
- the movement of animals to unapproved facilities from an ESCAS approved feedlot in the Hai Phong district.
- collusion between Vietnamese importers and Australian exporters regarding non-compliant activities such as control and traceability systems being tampered with e.g. CCTV being turned off, ear tags being removed and scanned at approved facilities to make it appear that cattle slaughtered at non-approved facilities remained within approved supply chains, and therefore reconciliations were being falsified.

The evidence was contained in six videos, 12 photographs and 19 video stills taken at 13 abattoirs, the details for nine ear tags, and transcripts of conversations at four abattoirs.

No further information relating to the reported collusion between exporters and importers was provided by Animals Australia for the department's enforcement team to investigate.

Department assessment:

A. Videos:

Departmental veterinary officers experienced in the auditing of slaughter and processing assessed all videos provided by Animals Australia.

The videos were taken at both ESCAS approved and unapproved abattoirs. The presence of Australian cattle at the unapproved abattoirs—many without ear tags—demonstrates exporters' systems for maintaining animals within ESCAS approved facilities had broken down.

Exporters were not aware of the loss of these animals from their supply chains at the time Animals Australia provided the videos to the department. It was not possible to determine who owned the cattle from the videos provided. However, the fact that Australian cattle were present in non-ESCAS facilities and no exporter had reported recent losses of cattle indicates their control and traceability systems were not performing effectively.

Table 5 summarises the main findings from the videos. Videos 1, 3 and 6 showed unapproved facilities, involving seven different abattoirs and around 60 cattle. As the facilities are not in ESCAS supply chains, animal welfare non-compliance findings are not discussed—the ESCAS non-compliance is that Australian animals are present demonstrating loss of animals from approved supply chains.

Table 5 – Department assessment of Animals Australia videos.

Video Number:	Facility status:	# Australian cattle:	Video assessment:	Non-compliance findings:
1	<ul style="list-style-type: none"> Unapproved. 	20 - 25	<ul style="list-style-type: none"> Rope slaughter of five cattle outside of a restraint box. Stunned using sledgehammer. 15 – 20 cattle in pens waiting for slaughter. 	<ul style="list-style-type: none"> Cattle outside of approved supply chains.
2	<ul style="list-style-type: none"> Approved for SEALS. Audited on 03/05/2016 – no non-compliance observed. 	1	<ul style="list-style-type: none"> Slaughter of one animal. Stunned using a penetrative captive bolt gun in a restraint box. Effective stun. Consciousness checks not performed. 	<ul style="list-style-type: none"> Consciousness checks not performed prior to slaughter.
3	<ul style="list-style-type: none"> Unapproved at time of filming. Approved for Austrex on 8 June 2016. Initial audit on 18/05/2016 – no non-compliance observed. 	8 - 10	<ul style="list-style-type: none"> Use of captive bolt gun on an animal in a holding pen. Cattle hit, whipped and poked on the head, face and body with a sticks and a tree branch. Ear tags removed from animals. Australian ear tags identified at rear of facility. 	<ul style="list-style-type: none"> Cattle outside of approved supply chains. Ear tags removed. Non-compliant handling practices resulting in poor/adverse animal welfare outcomes.
4	<ul style="list-style-type: none"> Approved for SEALS. Audited on 24/10/2015 – no non-compliance observed. 	10	<ul style="list-style-type: none"> One animal stunned using a penetrative captive bolt gun in a restraint box. Ineffective stun with no re-stun performed. Consciousness checks not performed. One body of a previously slaughtered animal visible. 	<ul style="list-style-type: none"> Ineffective stun with no re-stun performed. Consciousness checks not performed
5	<ul style="list-style-type: none"> Approved for Austrex, FIN, Wellard, ILE and NACC. Audited on 25/09/2015 – no non-compliance observed. 	8 - 10	<ul style="list-style-type: none"> Cattle hit and poked on the head, face and body with sticks and a 'cattle talker'. Stun and slaughter of three cattle, bleeding of another. Two effective stuns and one ineffective – re-stun applied. Consciousness checks not performed. Rust hole in the door of the restraint box. 	<ul style="list-style-type: none"> Non-compliant handling practices resulting in poor animal welfare outcomes. Consciousness checks not performed prior to slaughter. Damaged restraint box could cause injury to animals.

6	<ul style="list-style-type: none"> • Five – all unapproved. 	20 - 25	<ul style="list-style-type: none"> • Use of captive bolt gun on an animal restrained by a neck rope in a holding pen. • Ear tags removed from animals. 	<ul style="list-style-type: none"> • Cattle outside of approved supply chains. • Loss of traceability with ear tags removed. • Non-compliant handling, restraint and slaughter practices resulting in poor animal welfare outcomes. • Animals forced to walk over other animals.
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B. Photographs:

Twelve photographs (as well as 19 stills from the videos) were included in the report. The photographs showed Australian cattle in facilities which were not ESCAS approved, and non-compliance with animal welfare requirements. One of the photographs was determined to have been taken in an abattoir approved in SEALS supply chain and did not demonstrate any non-compliance. This facility was audited on 3 May 2016 with no non-compliance observed.

The department determined that the animals shown in the photographs (and videos) were exported from Australia due to physical breed characteristics, ear notching consistent with that used in Australia and the presence of National Livestock Identification System (NLIS), export, and control and traceability system tags used by numerous exporters. However, the department was unable to identify any individual ear tag numbers and therefore could not link the cattle back to exporters.

C. Ear tags:

Assessment of the nine ear tags provided by Animals Australia showed eight individual tag numbers (one duplicate). The tags were found behind an abattoir unapproved at the time of the Animals Australia visit. This facility was approved for Austrex prior to receipt of the Animals Australia report (see Video 3 above).

Four tags were identified as NLIS tags. Of these:

- Three were able to be linked to a breeder consignment exported in January 2015. Breeder cattle are not covered by ESCAS.
- Wellard identified the remaining tag was from an animal exported in July 2015. The animal was recorded as an emergency slaughter at an approved abattoir in their supply chain on 12 January 2016 in a different location. The presence of this tag could indicate that the animal was not slaughtered at the reported location, but is not sufficient evidence to draw a conclusion.

The remaining four tags were non-NLIS tags of Australian origin. Of these:

- Two were linked to the breeder consignment discussed above.

- Two were not claimed by any exporter and had no distinctive identifiers. These could not be traced back to an exporter by the department.

D. Transcripts of conversations:

Animals Australia provided transcripts of conversations with two approved and two unapproved abattoirs.

- Abattoir 1: Was an approved abattoir in six exporter supply chains. The transcript describes an offer to sell cattle outside the approved supply chain and to slaughter cattle outside of the approved facility—including at a hotel. This abattoir was audited on 15 October 2015 with no non-compliance observed.
- Abattoir 2: An unapproved abattoir in Bai Do village—photographs of Australian cattle present at the facility also provided: A worker states that they are slaughtering 6 - 10 Australian cattle a night which are received from Hai Phong.
- Abattoir 3: Was an approved abattoir in six exporter supply chains. The abattoir owner offers to sell Australian cattle to the investigator outside of the approved supply chain. The need to remove the ear tags prior to supply in order to avoid detection by exporter control and traceability systems is discussed. This abattoir was audited on 15 October 2015 with no non-compliance identified. This abattoir was audited on 25 September 2015 with no non-compliance observed.
- Abattoir 4: An unapproved abattoir in Hanoi city—video of Australian cattle being slaughtered at this facility was also provided (Video 1): Discussion is had confirming that Australian cattle are slaughtered at the facility.

The approved facilities remain suspended since implemented by the department on 17 June 2016.

E. Other information reported by Animals Australia:

Feedlots near Bai Do:

Animals Australia reported that in early May, a feedlot near Bai Do was loading Australian cattle and supplying them directly into Bai Do Village as well as to an unapproved feedlot in nearby Sao Ho. On 17 June 2016, the department suspended a feedlot from receiving Australian cattle due to its close proximity to Bai Do village (see Table 3 below).

Based on GPS coordinates provided by Animals Australia, the department determined that the feedlot reported by Animals Australia was the feedlot suspended on 17 June 2016. The feedlot was ESCAS approved in the NACC Northern supply chain. This exporter requested the feedlot and associated importer be removed from their supply chain on 21 June 2016 as they did not intend to re-supply. NACC reported that the last consignment supplied to the

importer and inducted into the feedlot was in January 2016, and that these animals had been slaughtered within their approved supply chain by 31 April 2016. This feedlot was audited on 15 April 2015 with no non-compliance observed.

The information from NACC and Animals Australia suggests that the cattle observed at the Bai Do feedlot came from other exporters' supply chains. However, no exporter had reported animals missing from their supply chains at the time of Animals Australia's report.

Department actions:

All evidence from Animals Australia was provided to all exporters to Vietnam for their own internal investigation. No exporter provided information relating to the source of the cattle shown in the photographs and videos.

The department reviewed the evidence provided by Animals Australia and took actions as summarised in Table 6 below:

Table 6 – Actions taken by the department.

Date	Department Action	Outcomes
10 June	Department commences review of material provided by Animals Australia. Industry teleconference to discuss the report from Animal's Australia.	SEALS suspends a feedlot in their supply chain as a precaution until they reconcile animals in their supply chain facilities.
14 June	Video and photographs provided to exporters for review and comment.	Six facilities identified in by exporters as being in their supply chains. The facilities are suspended by the department 17 June.
15 June	Reviews arranged for all eight exporters' control and traceability systems in Vietnam.	Reviews conducted 26 June - 19 July 2016.
17 June	18 approved ESCAS facilities suspended	<ul style="list-style-type: none"> Facilities suspended were:

	<p>based on information from AA's report.</p> <p>Exporters directed to investigate their supply chains for evidence of non-compliance, notify importers/feedlots and manage all animals affected by suspension.</p>	<ul style="list-style-type: none"> ○ the six facilities positively identified by exporters ○ the feedlot in Hai Phong ○ all five approved abattoirs in Bai Do village and ○ one feedlot and five abattoirs in the Phu Xuyen district in which Bai Do village is located. ● Exporters submit plans to manage the remaining animals in suspended ESCAS facilities, and notify importers and feedlots to cease movements to suspended facilities. ● Two exporters (SEALS and Austrex) report non-compliances identified in their supply chains as a result of departmental requests to investigate. The findings of these investigations can be found at: <ul style="list-style-type: none"> ○ #104(D) - Austrex ○ #104(E) - Austrex ○ #104(F) - Austrex ○ #104(G) - SEALS
26 June - 19 July	<p>Reviews performed of exporter control and traceability systems conducted for compliance with the Industry 6 point plan and Vietnam Control and Traceability Standards.</p>	<ul style="list-style-type: none"> ● Two exporters had no issues identified – Austrex and Wellard. ● Two exporters who were not actively seeking to export at the time of the review—LSS and Halleen—were found to have some issues which were addressed before resuming exports to the market. ● Two exporters who were actively exporting at the time of the review—ILE and NACC—were found to have some issues. They were required to address issues and had additional conditions applied to ESCAS—see 8 July below. ● Two exporters were found to have critical issues – FIN and SEALS—see 7 July below. ● FIN and SEALS commence investigations into the non-compliances identified at review. The findings of these investigations can be found at: <ul style="list-style-type: none"> ○ #104(A) - FIN ○ #104(B&C) – SEALS
7 July	<p>SEALS and FIN ESCAS's varied to Vietnam to prevent further exports until corrective action taken and confirmed by department as effective and to manage welfare of</p>	<p>SEALS and FIN improved their control and traceability systems to address the issues identified at their reviews, including improved oversight of their ESCAS in-market and more active assessment of reporting from these systems within their companies.</p>

	animals in their supply chains.	
8 July	NACC and ILE ESCAS's varied to require additional reporting, monitoring and verification activities in market as a conditions of any further exports to Vietnam.	<ul style="list-style-type: none"> • ILE and NACC ESCAS' exports continue under additional conditions. The department performed a follow-up audit in November to confirm effectiveness of corrective actions implemented. • All other exporters to the market have had follow- up audits conducted to ensure issues raised have been addressed.
3 August	Exporters directed to reconcile stock in supply chains, detail staff in market to provide ESCAS oversight and review manageability of their supply chains.	Three exporters reduce number of facilities in their ESCAS supply chains. No additional reports of non-compliance identified by exporters as a result of the reviews.
25 August and 20 September	Suspensions on FIN (25 August) and SEALS (20 September) supply chains lifted.	<ul style="list-style-type: none"> • Additional reporting, monitoring and verification conditions placed on the FIN and SEALS ESCAS. • Approval is restricted to two consignments with follow-up audits conducted to assess the effectiveness of corrective actions taken in their control and traceability systems.

Corrective actions undertaken by the exporters:

As an industry, in response to the Animals Australia report, exporters:

- Suspended supply to the five approved facilities in Bai Do Village—where five unapproved facilities in the Animals Australia report are located.
- Suspended supply to those facilities under investigation.

Specific actions taken by individual exporters are detailed in the reports listed above (Reports 104(A) – 104(G)).

Department regulatory action:

Table 3 sets out the key actions taken by the department as a result of findings from investigations into the Animals Australia report. The department:

- removed one importer, two feedlots, two depots and 18 abattoirs from all exporter supply chains between 17 June and 21 October 2016.
- required exporters to directly employ staff (Animal Welfare Officers) to manage the slaughter of animals remaining in supply chains affected by non-compliance.
- conducted audits of all exporters' control and traceability systems. Follow-up audits have been completed to determine the effectiveness of exporter corrective actions implemented to address issues identified at audit.
- required the review and verification of data be carried out directly by exporter Australian management staff.
- in some instances, required additional reporting requirements including post-export movement data and daily slaughter reports.

Department conclusions:

The department determined that the animals shown in the photographs and video were exported from Australia and their presence in unapproved facilities confirmed non-compliance with ESCAS control, traceability and animal welfare requirements in Vietnam. Around 80 animals were observed in the videos and photographs provided by Animals Australia. However, as a result of the investigation, exporters identified many more animals outside approved supply chains, many with unknown animal welfare outcomes.

The departmental audits of exporter control and traceability systems revealed significant variation in the levels of oversight, verification and reconciliation that individual exporters performed on their own or third-party provided control and traceability systems. Those exporters with a higher in-market staff presence showed fewer issues. The audit findings demonstrated critical failures in the monitoring and verification processes for two exporters.

Some exporters out-sourced the service provision portion of their control and traceability systems to third-party providers, but did not perform any internal verification checks as to the integrity of the data they received.

The evidence provided by Animals Australia clearly demonstrated that cattle were being moved outside of approved supply chains, even if the particular supply chains could not be identified. Taken as a whole, this raised concerns for the department that exporter control and traceability systems were ineffective and as such, the department conducted audits to assess the validity of exporters' declarations of 31 December 2015 that improved control and traceability systems had been implemented as set out in their Industry Six Point Plan of April 2015.

In assessing this matter against the guidelines for management of non-compliance (<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/non-compliance>), the department has recorded:

- Video 2: a *minor* non-compliance with ESCAS animal welfare requirements relating to a lack of consciousness checks performed recorded against the SEALS supply chain.
- Video 4: a *major* non-compliance with ESCAS animal welfare requirements relating to ineffective stunning technique, lack of consciousness checks and the failure to apply a re-stun performed recorded against the SEALS supply chain.
- Video 5: a *major* non-compliance of the abattoir with ESCAS animal welfare requirements for handling and damage to the restraint box was recorded against the abattoir—the facility was suspended and removed from all exporter supply chains.
- Transcripts: 1 and 3 – a *critical* non-compliance of two abattoirs with ESCAS control requirements as the operators demonstrate a disregard of ESCAS requirements with a willingness to sell outside the approved supply chain. The facilities were both suspended and removed from all exporter supply chains.

Immediate and ongoing measures and corrective actions implemented by exporters and the department will continue to be monitored for effectiveness.

Report # 104 (A): Cattle exported to Vietnam

Incident report

In response to [report #104](#), department auditors reviewed Frontier International Northern's (FIN) control and traceability systems on 7 July 2016. During the review, the department identified that FIN cattle were moved to and processed in facilities outside their approved supply chain, and critical issues with FIN's monitoring and verification of control and traceability system data.

Between 6 May 2016 and 25 June 2016, 406 cattle were moved from three approved feedlots to five abattoirs outside of the exporter's approved supply chain. The abattoirs were in approved supply chains of five other exporters at the time of the movement.

Department actions

The review concluded that FIN did not have control of its supply chain and placed a condition on FIN's ESCAS to cease supply of cattle to Vietnam on 7 July 2016. The department required FIN to develop and implement monitoring and verification processes to address the issues identified at audit before allowing them to resume supply to Vietnam. In addition, on 3 August 2016, the department directed all exporters to Vietnam to review their supply chain and assess its manageability against ESCAS requirements, the Vietnam Control and Traceability standards, risk factors and current activity status.

Exporter actions

FIN's review of the data provided by its supply chains that 58 animals had not been accounted for due to voyage and feedlot mortalities not being correctly recorded, and were scanned out of the feedlot, but not into the abattoir on arrival. They were scanned on the day of slaughter. The cattle were reported as slaughtered at abattoirs in FIN's approved supply chain.

FIN took the following corrective actions:

- Developed and provided a manual detailing their revised monitoring and verification processes.
- Two additional scanners were purchased for use on board vessels to address the issue of voyage mortalities not being recorded
- All mortalities at feedlots will be scanned, photographed, and uploaded to FIN's database.
- Updated their SOPs to increase monitoring of in-transit cattle so that potential movement outside the approved supply chain can be detected.
- A system of consistent facility names to reduce confusion between facilities with multiple or similar names.
- Reviewed ESCAS requirements with importer personnel and control and traceability staff to ensure existing procedures and compliance processes are understood and complied with.
- Removed three importers, along with the seven associated feedlots from their approved supply chain. These included the feedlots which were responsible for the movement of the cattle discussed in this report.

Department assessment and conclusions

The feedlots were in the approved supply chain of three exporters - FIN, North Australian Cattle Company and Wellard Rural Exports - at the time. No previous reports of non-compliance have been received regarding the feedlots.

Having reviewed FIN's actions listed above, the department gave approval to recommence exports on 25 August 2016 subject to additional conditions following the demonstration of amended control and traceability systems to address the issues identified at audit.

A follow-up control and traceability system audit was completed on 9 November 2016 with FIN found to have implemented corrective actions to address the issues identified at review. Immediate and ongoing measures and corrective actions implemented by FIN will continue to be monitored for effectiveness.

The department concluded that at the time, FIN did not have processes in place to monitor and verify their control and traceability system data. As a result of this, movement of cattle out of FIN's supply chain was not detected by FIN until the review.

All animals involved in the non-compliance remained traceable until point of slaughter and no animal welfare issues were identified.

The department is satisfied the corrective actions implemented by the exporter addressed the non-compliance identified in their supply chain.

In assessing this matter against the guidelines for management of non-compliance (<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/non-compliance>), the department recorded a *critical* non-compliance with ESCAS control requirements against the FIN cattle supply chain to Vietnam.

Report # 104 (B & C): Cattle exported to Vietnam

Incident report

In response to [report #104](#), department auditors review of South East Asian Livestock Services (SEALS) control and traceability systems on 30 June 2016. During the review, the department identified critical issues with SEALS' monitoring and verification of control and traceability system data. This included finding that photographs of individual animals taken using a phone application (app) designed to provide SEALS with evidence of individual animal slaughter had been provided for multiple animals. This occurred with photographs submitted from two separate abattoirs. The phone app was being used by three exporters at the time. SEALS and the department auditor both reported the issue to the department at the conclusion of the review.

On the same day as the review, SEALS also self-reported that they had just received information from Vietnam in-market staff that:

- unapproved movement of buffalo from a feedlot had occurred on 29 June 2016
- discrepancies had been identified between importer traceability reports and an assessment of stock on hand at the feedlot.

The findings of duplicate photographs from the two abattoirs at the review and the report provided by SEALS about unapproved movements of cattle and buffalo from the feedlot concern the same importer. This was the first consignment SEALS had sent to this importer and feedlot, and they were not approved in any other supply chains at the time of this report.

The feedlot had previously been approved for one other exporter however the exporter removed it from their supply chain prior to this report. The abattoirs were both approved in multiple exporter supply chains at the time of the report and one was under departmental suspension at the time of the review as it was identified in [Report #104](#). The risk rating of both the abattoirs was *medium*.

Department actions

On 1 July 2016, the department notified relevant exporters to cease supply of cattle to the importer and facilities (two abattoirs and one feedlot) involved in this report. Once it was confirmed no Australian animals remained in these facilities the importer and facilities were removed from all relevant supply chains. At the time of publication these facilities remain suspended.

On 7 July 2016 the department placed a condition on SEALS ESCAS to cease supply of cattle and buffalo to Vietnam due to the nature and seriousness of the issues identified at the departmental review. In order to resume supply to Vietnam the department required SEALS to develop and implement adequate monitoring and verification processes.

Exporter Actions

SEALS sourced information about the movement of the cattle and buffalo from the feedlot from a variety of sources. They determined that of the 1,253 livestock that arrived at the feedlot:

- 18 head died or were emergency slaughters at the feedlot
- 527 head were slaughtered in approved facilities
- 438 head were slaughtered in unapproved facilities, and
- 270 head were unable to be traced to point of slaughter.

SEALS confirmed that unapproved movement of animals from the feedlot commenced shortly after their induction into the feedlot, and that falsified movement and slaughter data had been provided through the importer since the arrival of this consignment.

SEALS were unable to determine the individual/s responsible for falsifying reconciliation records or the manipulation and duplication of the photographs as investigations were met with resistance and lack of cooperation from importer staff responsible for the maintenance and provision of data. The department analysed the phone app data and determined that the images themselves were likely manipulated after the phone app phase. It is considered likely that the duplication of photographs was used to cover up the removal of animals from the approved supply chain.

After identifying the non-compliance, SEALS implemented the following corrective actions:

- SEALS employees were immediately placed in the feedlot 24/7 to monitor all livestock movements until all animals were managed out of the facility.

- A physical reconciliation of all cattle and buffalo at the feedlot was completed.
- Supply of cattle and buffalo remaining in the supply chain was limited to six abattoirs agreed to by the department.
- An agreement with the feedlot owner in relation to the management of the remaining animals was negotiated.
- The procedure for taking photographs with the phone app was amended to require the photograph show the RFID in the animal's ear and the name of the camera operator.
- Phone app photographs were sent to Australia daily for review by SEALS Australian management.

Department assessment and conclusions

The feedlot was only in the approved supply chain of SEALS at the time. No previous reports of non-compliance have been received regarding the feedlot. Physical reconciliations by the exporter determined that 564 cattle and 144 buffalo had been slaughtered at unapproved facilities or were unable to be traced to point of slaughter.

SEALS provided the department with an '*ESCAS Control and Management System*' which detailed monitoring and verification processes implemented. Following demonstration of improved control and traceability systems to address the issues identified at the audit SEALS was approved to recommence exports to Vietnam subject to additional conditions on 20 September 2016.

On 3 August 2016, the department directed all Vietnam exporters to review their supply chain and assess its manageability against ESCAS requirements, the Vietnam Control and Traceability standards, risk factors and current activity status. SEALS advised the department that they did not wish to remove any facilities other than those suspended by the department as part of the investigations, and three they had requested prior to the department direction.

The department is completing on going control and traceability system of all Vietnam exporter supply chains to determine the effectiveness of corrective actions implemented since the initial reviews, along with compliance with ESCAS, EAN 2015-10 (Vietnam Control and Traceability Standards), and the Industry 6 Point Plan. SEALS' follow up audit was completed on 12 December 2016.

The department concluded that at the time of the review, SEALS did not have processes in place to monitor and verify control and traceability system data. As a result of this, failure to identify deliberate manipulation of data supplied from one of their importer supply chains occurred.

Over half of the buffalo and cattle in the consignment reviewed were moved to and slaughtered at unapproved or unknown facilities. These animals are unlikely to have been handled and slaughtered in accordance with ESCAS requirements.

In [report #104](#) Animals Australia had also reported significant movement of animals from a feedlot in the Hai Phong region. On 11 June 2016, SEALS notified the department they had voluntarily suspended a feedlot in the Hai Phong region while they conducted investigations into the [report](#). Investigations of the feedlot found that all cattle were able to be traced and reconciled to point of slaughter. The feedlot involved in this report is located approximately 20km away from the feedlot SEALS investigated for loss of control in response to the Animals Australia report. Due to the proximity of the two feedlots, findings from SEALS investigations, and the confirmed loss of control of a significant number of animals in this report, it is considered likely that this feedlot is responsible for the loss of control in the Hai Phong region.

A follow-up control and traceability system audit was completed on 12 November 2016 with SEALS found to have implemented corrective actions to address the issues identified at review. The department is satisfied the corrective actions implemented by the exporter addressed the non-compliance identified in the supply chain. Immediate and ongoing measures and corrective actions implemented by SEALS will continue to be monitored for effectiveness.

In assessing this matter against the guidelines for management of non-compliance (<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/non-compliance>), the department recorded a *critical* non-compliance with ESCAS control, traceability and animal welfare requirements against the both the SEALS cattle and buffalo supply chains to Vietnam.

Report # 104 (D): Cattle exported to Vietnam

Incident report

On 25 June 2016, The Department of Agriculture and Water Resources received a self-report from Australian Rural Exports Pty Ltd (Austrex) detailing non-compliance with Exporter Supply Chain Assurance System (ESCAS) traceability requirements in Vietnam.

Following receipt of third party information about traceability, Austrex staff performed a spot-visit to an approved abattoir in their supply chain on 21 June 2016. At the time of the visit, no Austrex cattle were present at the facility, however the following issues were identified:

- The abattoir could not provide photographs confirming the day's slaughter.
- The abattoir's Animal Welfare Officer (AWO) could not produce all RFID tags from the day's slaughter, nor produce delivery receipts of animals received.
- Lairage counts did not match slaughter counts.

Exporter actions

As the required information during the visit was not able to be produced by the abattoir, Austrex performed a reconciliation of their own data against the importer's records. The reconciliation found that all Austrex cattle were accounted for.

After identifying the non-compliance, Austrex implemented the following corrective actions:

- On 25 June 2016, Austrex suspended the abattoir under the Industry Six Point Plan, ceasing further supply of all Australian livestock to the abattoir for six months.
- Between the visit and Austrex's suspension of the facility, five head of Austrex cattle were transported to the abattoir. Austrex employees (AWOs) were sent to the abattoir to supervise slaughter of the remaining cattle.
- Austrex employees delivered additional training to the abattoir owner on how to comply with ESCAS requirements.
- Confirmed that the importer employed AWO has been replaced.
- The importer's senior AWOs will visit the abattoir to train the new AWO and abattoir owners on how to comply with ESCAS requirements.
- Confirmed no further Austrex cattle were sent to the facility.

The exporter has not requested to lift the suspension under the Industry Six Point Plan, or add the facility back in to their supply chain.

Department assessment

The abattoir was in the approved supply chains of four exporters—Austrex, International Livestock Exports Pty Ltd, North Australian Cattle Company Pty Ltd and Wellard Rural Exports Pty Ltd—at the time of the visit. The department suspended the abattoir on 25 June 2016 and required exporters to implement management plans for any cattle remaining at the facility. The abattoir was removed from all exporter supply chains once it was confirmed no Australian cattle remained at the facility.

The department requested clarification from Austrex regarding how many animals' photographs and RFID tags were unaccounted but did not receive this information prior to the report being published. Based on information provided in the initial independent audit performed at the abattoir on 3 December 2015 which stated the daily slaughter capacity for the abattoir is four head of cattle, it is likely that this report involved fewer than five animals.

As no Austrex cattle were slaughtered that day, photographs may not have been taken as other exporters use different control and traceability systems, however RFID tags should still have been able to be provided for all exporter systems.

Department actions and conclusions

Austrex's actions identified the issue of the abattoir being unable to produce documentation or RFID tags upon request as required under ESCAS.

In assessing this matter against the guidelines for management of non-compliance (<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/non-compliance>), the department recorded a *major* non-compliance against the facility. The abattoir was subsequently removed from all exporter supply chains.

Report # 104 (E): Cattle exported to Vietnam

Incident report

On 8 July 2016, the Department of Agriculture and Water Resources received a self-report from Australian Rural Exports Pty Ltd (Austrex) detailing non-compliance with ESCAS control requirements in Vietnam. Austrex reported that on 29 May 2016, 25 cattle were moved from an approved feedlot to an abattoir that had been audited, but not yet approved in their supply chain.

Austrex detected the movement of cattle to the non-approved facility after reviewing weekly importer traceability data.

The importer reported that the movement of cattle to the facility was due to one staff member who 'mis-understood [the difference] between the audit date and approval date'.

Exporter actions

After identifying the non-compliance, Austrex implemented the following corrective actions:

- Investigated the matter to confirm that the facility where the cattle were processed was ESCAS compliant and provided the compliant audits.
- Required the importer to perform additional training for Animal Welfare Officers. The staff member who sent the cattle from the feedlot to the recently audited abattoir was retrained and fully understands ESCAS.
- Required the importer to review ESCAS requirements. The importer updated their Standard Operating Procedures (SOPs) and trained their staff to ensure when a possible non-compliance is identified, Austrex are notified in a timely manner.
- The importer voluntarily ceased the movement of cattle to the feedlot until corrective actions had been taken. Supply resumed to the feedlot on 3 October 2016.

Department assessment

The feedlot was in the approved supply chains of five exporters – Austrex, Frontier International Northern Pty Ltd, International Livestock Exports Pty Ltd, North Australian Cattle Company Pty Ltd and Wellard Rural Exports Pty Ltd- at the time. No previous reports of non-compliance have been received regarding the feedlot.

An initial audit of the abattoir where the cattle were processed was completed on 19 May 2016. The audit found the abattoir compliant with ESACS requirements. Austrex applied to have the facility added to their supply chain on 30 May 2016 and the abattoir was subsequently approved by the department on 10 June 2016. The abattoir remains in the Austrex Vietnam cattle supply chain and has since been approved for one other exporter's supply chain.

As the facility had been recently audited and found to be compliant with ESCAS requirements it is considered likely that animal welfare requirements were met. However CCTV footage was not installed at the abattoir at the time of the movement.

Department actions and conclusions

The exporter's control and traceability systems were able to identify the non-compliance, however revealed issues with communication of the facilities in their approved ESCAS. The department accepted the corrective actions implemented by the exporter were adequate to address the non-compliance and no additional conditions were applied.

In assessing this matter against the guidelines for management of non-compliance (<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/non-compliance>), the department recorded a *minor* non-compliance with ESCAS control requirements against the Austrex Vietnam cattle supply chain to Vietnam.

Report # 104 (F): Cattle exported to Vietnam

Incident Report:

On 8 July 2016, the Department of Agriculture and Water Resources received a self-report from Australian Rural Exports Pty Ltd (Austrex) detailing non-compliance with Exporter Supply Chain Assurance System (ESCAS) control and traceability requirements in Vietnam. The report was in relation to the movement and slaughter of cattle to an abattoir which was outside the Austrex approved supply chain and under departmental suspension for the majority of the slaughter period.

Between March and June 2016, 92 cattle were transferred out of an approved depot (a holding facility for cattle close to an abattoir). Eighty-four were moved to the relevant abattoir, and eight had their traceability lost at the depot.

The movement was not detected by Austrex when reviewing the weekly control and traceability report provided by the importer, as the owner of the depot had falsified the traceability reports to show that the cattle were transported to and slaughtered at approved facilities.

Austrex identified the movement of cattle during preparation for their departmental control and traceability review in July. Austrex reviewed transport documents provided by the importer and depot which showed the cattle had actually been sent to the suspended facility, or had traceability completely lost.

84 cattle were processed at the abattoir which, at the time of slaughter (6 March to 2 June 2016), was not approved in the Austrex supply chain and was under departmental suspension from 26 April 2016 due to denial of access to another exporter's representatives. It is an ESCAS requirement that exporter representatives can access facilities in their supply chain at any time.

Austrex determined that the remaining eight cattle had lost traceability at the depot. The depot staff informed Austrex that these cattle were also sent to the suspended abattoir.

Exporter actions

After identifying the non-compliance, Austrex implemented the following corrective actions:

- Austrex performed a full physical reconciliation of the remaining cattle at the depot.
- The importer employed a dedicated ESCAS traceability manager.
- Austrex employed an additional animal welfare officer solely dedicated to the importer's supply chain.
- Austrex supplied additional training to the importer in traceability, animal handling and ESCAS.

Department assessment and actions

Austrex initially advised the cattle had been moved from one depot, but later notified the department the cattle had been moved from a different depot. Both depots are owned by the same company who had provided the falsified slaughter information. The department suspended the second depot upon receiving the information in November 2016.

Animal welfare outcomes could not be confirmed, however the facility was audited for Austrex on 25 January 2016 with no non-compliance identified.

This is the third report of loss of control and traceability associated with the same importer received since 31 March 2016 (see reports [#98](#) and [99](#)). These reports involved two exporters, three facilities and over 1000 animals indicating widespread issues in the importer supply chain. The department therefore suspended the importer from all exporters' approved supply chains in October 2016.

The facilities and/or importer were approved for six exporters – Austrex, Frontier International Northern Pty Ltd, International Livestock Exports Pty Ltd, Livestock Shipping Services Pty Ltd, North Australian Cattle Company Pty Ltd and Wellard Rural Exports Pty Ltd - at the time. The department required all exporters to cease supply to the importer and facilities, to perform a physical reconciliation of animals in the importer's supply chain and facilities to identify any non-compliance, and required them to submit a management plan

for the animals remaining in facilities under the control of the suspended importer. Non-compliance relating to these facilities has not been identified by other exporters.

The event involved the provision of falsified documents from facilities within the supply chain resulting in the loss of control and traceability of animals and unknown animal welfare outcomes. The department will consider the findings of this report when assessing any future applications to add the depots and importer to an exporter's supply chain.

Department conclusions

The exporter's weekly control and traceability system checks did not identify the non-compliance. Austrex identified the fact they were receiving falsified movement data during reconciliations of transport documents in preparation for the departmental audit.

In assessing this matter against the guidelines for management of non-compliance (<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/non-compliance>), the department recorded a *major* non-compliance with ESCAS control and traceability requirements against the Austrex Vietnam cattle supply chain, and a *critical* non-compliance with ESCAS control and traceability requirements against the depots for the provision of falsified documentation.

Report # 104 (G): Cattle exported to Vietnam

Incident report:

On 9 June 2016, the Department of Agriculture and Water Resources met with Animals Australia about non-compliance with ESCAS control, traceability and animal welfare requirements for cattle exported to Vietnam. During the meeting Animals Australia also reported significant movement of animals from a feedlot in the Hai Phong region to unapproved facilities. This information was provided to exporters in a teleconference between the department and industry on 10 June 2016.

During the teleconference, one feedlot was identified as being in Hai Phong province. At the time of the report, the feedlot had only received cattle from South East Asian Livestock Services (SEALS). On 11 June 2016, SEALS notified the department they had suspended the facility while conducting an investigation into the report.

Exporter actions:

After becoming aware of the allegations, SEALS implemented the following actions:

- Suspended the feedlot and undertook an internal investigation due to the location of the facility.

- SEALS staff were sent to the feedlot and related abattoirs to supervise the transfer and processing of all cattle remaining at the facility.
- Performed a full physical reconciliation of cattle in all associated facilities.
- Collected all Radio Frequency Identification Device (RFID) tags, trucking dockets, phone app images and slaughter data and reconciled against data previously provided by the importer and feedlot.
- Held meetings with management of relevant abattoirs and facilities to reinforce ESCAS requirements.
- Provided refresher training to SEALS in-market staff to ensure ESCAS requirements are met.

On 6 July 2016, SEALS provided the department with their report into the allegation of movement to unapproved facilities. SEALS found that no loss of control had occurred from the feedlot as all cattle were able to be traced and reconciled to point of slaughter. All data collected by SEALS at the time of the investigation correlated with previous data provided by the importer and feedlot.

Department assessment:

The feedlot was only in the approved supply chain of one active exporter —SEALS— at the time.

As part of the investigation into [Report #104](#), the department directed SEALS to provide full reconciliations of all animals remaining in and processed in their Vietnam supply chains.

SEALS' reconciliation identified that another feedlot in their supply chain—located in a neighbouring province and around 20km away from the feedlot that SEALS had voluntarily suspended as part of this report—had moved over 700 head of cattle and buffalo to unapproved abattoirs (for full details see [Reports #104 B&C](#)).

For the feedlot initially suspended by SEALS the department accepted that the actions taken by the exporter were adequate and no additional conditions were applied. Based on these findings, the department lifted the suspension on the feedlot in August 2016.

Department actions and conclusions:

Due to the proximity of the two feedlots, and the confirmed loss of control of a significant number of animals from the feedlot in [Report #104C](#), the department concluded that this was the feedlot responsible for the unapproved movement reported by Animals Australia.

The department accepted the corrective actions implemented by the exporter were adequate to address the report and no additional conditions were applied.

In assessing this matter against the guidelines for management of non-compliance (<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/non-compliance>), the department has not recorded a non-compliance against the SEALS Vietnam supply chain.

Report # 105: Cattle exported to Laos

Incident Report:

On 13 June 2016, The Department of Agriculture and Water Resources received a self-report from Australian Rural Exports Pty Ltd (Austrex) that a storm occurred in Laos on 2 May 2016 causing significant damage to a feedlot in the Austrex supply chain. Further information was provided on 24 June 2016. A full report was provided on 9 August 2016.

The report stated that a severe storm caused significant damage to an approved feedlot resulting in the loss 99 head of cattle. A scan list of the cattle mortalities was not provided, Austrex reported that the cattle mortalities and the animals euthanised due to injuries were not scanned at the time due to the high demand on the staff to treat the injured cattle and clean up the damaged infrastructure.

The Austrex report included meteorological data of storms over Laos as well as additional photographs of the damage. No information or reports were available from the local authorities or media due to its remote location.

Exporter actions:

After becoming aware of the incident, Austrex implemented the following corrective actions:

- Following receipt of information of the event on 27 May 2016, Austrex staff visited the feedlot on 3 June 2016 to confirm the report, offer advice to the facility staff and conduct a full physical reconciliation.
- An unsuccessful attempt was made to re-capture the escaped cattle.

Subsequent to this report Austrex advised the department that the importer intended to move all cattle from Laos back to Vietnam. On 14 November 2016, Austrex confirmed that all cattle were transferred to their approved feedlots in Vietnam, and as at 12 October 2016, no Australian cattle remained in Laos. Austrex closed their Laos supply chain on 25 November 2016.

Department assessment:

Austrex is the only exporter with an approved cross-border ESCAS to Laos.

Initial departmental investigations of the meteorological data for the Attapeu region in Laos did not show any evidence of a severe weather incident occurring on 2 May 2016. A pressure drop was recorded in the afternoon on 2 May 2016, however the local weather station is turned off daily at 4:00pm local time, and no data was recorded past this time. Local news sources reported severe storms across Vietnam, Thailand, and neighbouring provinces of Laos at the time of the incident, however no storms were reported in Attapeu.

The photographs and information provided were forensically analysed by the department. The analysis showed that the photographs were taken on 4 May 2016, however the location was unable to be confirmed. Analysis of local weather patterns indicated that the location of the feedlot, on a river valley close to a sheer ridgeline, could compress humid air into a storm and channel the wind.

Department actions and conclusions:

The department accepted the action taken by Austrex to investigate the storm damage in Laos. There are currently no ESCAS approved facilities in Laos.

In assessing this matter against the guidelines for management of non-compliance (<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/non-compliance>), the department has not recorded a non-compliance against the Austrex supply chain to Vietnam.

Report # 109: Cattle exported to Vietnam

Incident report:

On 10 August 2016, The Department of Agriculture and Water Resources received a report from a third party detailing non-compliance with Exporter Supply Chain Assurance System (ESCAS) animal welfare requirements in Vietnam. The report included details of ear tags being removed from Australian cattle and evidence of flooding (water loading prior to slaughter).

Department assessment:

At the time of the report the abattoir was approved for three exporters including Australian Rural Exports (Austrex), International Livestock Export (ILE) and Livestock Shipping Services (LSS). On 12 August, the department notified Austrex, ILE and LSS of the report and requested they investigate the allegations.

Exporter records indicate that their cattle were all slaughtered by 10 July 2016. The exporters with this facility in their supply chain were unable to provide any further information to about the claims in the report.

The department reviewed the information provided in the third party report and accepted it as accurate. The information included images of cattle that showed Australian branding, however the origin or exporter of the cattle could not be determined.

The third party observed the cattle at the abattoir being slaughtered on 29 and 30 July 2016. No non-compliance was observed during the most recent performance audit conducted on 20 June 2016.

On 19 September, the department advised Austrex, ILE and LSS to cease supply of cattle to the abattoir until further notice. Prior to the departmental suspension, the abattoir had a risk rating of *medium*.

On 28 September, the department advised all exporters of cattle to Vietnam that the abattoir was suspended. Once it was confirmed no animals remained at the abattoir it was removed from all exporters' supply chains.

Exporter actions:

Austrex, ILE and LSS were unable to verify the allegations in the report however they accepted the department's decision to remove the abattoir from their supply chains.

Department actions and conclusions:

In assessing this matter against the guidelines for management of non-compliance (<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/non-compliance>), the department recorded a *critical* non-compliance against the facility and removed the facility from all exporters supply chains.

Report # 110: Cattle exported to Vietnam

Incident report

On 12 August 2016, The Department of Agriculture and Water Resources received a self-report from Wellard Rural Exports Pty Ltd (Wellard) detailing non-compliance with Exporter Supply Chain Assurance System (ESCAS) control requirements in Vietnam.

The report stated that 43 cattle were moved to an abattoir recently removed from the Wellard supply chain (the facility is still ESCAS approved in a number of other supply chains). The non-compliance was identified by Wellard when reviewing the importer's reconciliation report. Of the 43 animals, 27 had already been processed at the facility with no animal welfare issues identified. Wellard directed the remaining 16 be moved to an approved feedlot facility in their supply chain.

The removal of this facility had not been communicated to the manager at the dispatching depot, who incorrectly sent the animals to the removed facility. Wellard emailed the

importer on the date that they submitted the variation to the department and the importer indicated they had received the information. However, following this incident it was found that the importer had not understood this facility was removed, and so did not pass the information on to their staff at the dispatching depot and did not identify the non-compliance during their reconciliation.

Exporter actions

After identifying the non-compliance, Wellard implemented the following corrective actions:

- Sent the Wellard Senior Regional Animal Welfare Officer to the facility to inspect the welfare of the animals. They found the facility complied with ESCAS standards.
- Directed the importer to remove the remaining animals from the facility.
- Emailed the importer and the Importer's dispatching depot manager up-to-date supply chain details, and confirmation of facilities recently removed from the approved supply chain.

Wellard reviewed the cause of this incident and have implemented additional processes for communicating supply chain variations in future. The depot manager and regional AWOs are now included in these communications. They have also implemented additional reconciliation checks.

Department Assessment

The depot was approved for five exporters – Austrex Rural Exports Pty Ltd, Frontier International Northern Pty Ltd, International Livestock Exports Pty Ltd, North Australian Cattle Company Pty Ltd and Wellard - at the time.

The department accepts Wellard's explanation of the event and that it occurred due to a miscommunication by the importer.

An audit report was provided by Wellard which was completed in June 2016 where the removed abattoir was independently audited and found to be compliant with ESCAS requirements. Wellard had removed the facility for commercial reasons.

All 43 animals remained traceable until point of slaughter and Wellard's control and traceability systems identified that the animals were processed in a recently removed facility. Wellard provided full details of all cattle that left the approved supply chain, including information on ear tags, Radio Frequency Identification Device (RFID) tag numbers, date of processing or date of removal from the abattoir.

Department actions and conclusions

The exporter's control and traceability systems were able to identify the non-compliance, however revealed issues relating to their supply chain. The department accepted the

corrective actions implemented by the exporter were adequate to address the non-compliance and no additional conditions were applied.

The department's review concluded that 27 Australian cattle exported under ESCAS requirements were moved and slaughtered outside Wellard's approved supply chain, but in facilities approved in other exporters supply chains. No animal welfare issues were identified.

In assessing this matter against the guidelines for management of non-compliance (<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/non-compliance>), the department recorded a *minor* non-compliance with ESCAS control requirements against the Wellard supply chain.

Report # 111: Cattle exported to Vietnam

Incident Report:

On 17 August 2016, The Department of Agriculture and Water Resources received a self-report from Livestock Shipping Services Pty Ltd (LSS) detailing non-compliance with Exporter Supply Chain Assurance System (ESCAS) control requirements in Vietnam.

The report stated that 74 cattle were moved from a depot in the LSS supply chain to an abattoir which is approved for five other exporters, but is not in the LSS supply chain. The cattle were subsequently slaughtered at the abattoir between July and August 2016. No animal welfare issues were identified.

Exporter Actions:

After identifying the non-compliance, LSS implemented procedures to compare importer information and slaughter confirmation data to verify that movements are accurately recorded. The traceability system used by LSS has been upgraded to immediately notify exporters if an animal is moved to a facility not in their approved supply chain.

LSS provided the department with an audit report showing the abattoirs compliance with ESCAS requirements and applied to include the abattoir in their supply chain. This application was assessed and approved by the department on 19 August 2016.

Department assessment:

The depot was approved for three exporters - International Livestock Exports Pty Ltd, LSS, and North Australian Cattle Company Pty Ltd - at the time.

The department accepted the findings of loss of control as self-reported by LSS.

While the cattle were moved to and slaughtered in an abattoir that was not approved in the LSS Vietnam cattle supply chain, it was approved in the supply chain of five other exporters and the cattle remained traceable to point of slaughter.

No animal welfare issues were identified and all Independent Performance Audit Reports (IPARs) undertaken during 2015 and 2016 reported the abattoir was compliant with ESCAS requirements.

Department actions and conclusions

The exporter's control and traceability systems were able to identify the non-compliance, however revealed issues relating to their supply chain. The department accepted the corrective actions implemented by the exporter were adequate to address the non-compliance and no additional conditions were applied.

In assessing this matter against the guidelines for management of non-compliance (<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/non-compliance>), the department recorded a *minor* non-compliance with ESCAS control requirements against the LSS Vietnam cattle supply chain.

Report # 112: Cattle exported to Vietnam

Incident report

On 29 August 2016, The Department of Agriculture and Water Resources received a self-report from Australian Rural Export Pty Ltd (Austrex) detailing non-compliance with Exporter Supply Chain Assurance System (ESCAS) control requirements in Vietnam.

The report stated that one animal was moved from a feedlot to an abattoir not approved in the Austrex Vietnam cattle supply chain but approved in four other exporters' supply chains. The movement occurred due to the animal losing its visual ear tag and being mixed with another exporter's consignment. The movement was identified by the importer once Radio Frequency Identification Device (RFID) data was downloaded next day from the facility.

Exporter actions

After identifying the non-compliance, Austrex promptly investigated with the importer. The importer implemented a Standard Operating Procedure for the replacement of lost visual or RFID tags in facilities within their supply chain.

An audit of the abattoir involved was conducted in August 2016. No non-compliance was identified with ESCAS requirements and the abattoir was approved in the Austrex Vietnam cattle supply chain.

Department Assessment

The feedlot was only approved for Austrex at the time.

The exporter's traceability system was able to individually account for cattle at all points throughout the supply chain and to promptly identify the non-compliance. The animal was processed in an ESCAS approved facility and there is no evidence of adverse animal welfare outcomes.

Department actions and conclusions

The exporter's control and traceability systems were able to identify the non-compliance, however revealed issues relating to their supply chain. The animal was identifiable through its RFID tag and the exporter was promptly notified by the importer. The department accepted the corrective actions implemented by the exporter were adequate to address the non-compliance and no additional conditions were applied.

In assessing this matter against the guidelines for management of non-compliance (<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/non-compliance>), the department recorded a *minor* non-compliance with ESCAS control, traceability requirements against Austrex Vietnam Cattle supply chain.

Report # 113: Cattle exported to Vietnam

Incident report

On 31 August 2016, The Department of Agriculture and Water Resources received a self-report from Wellard Rural Exports Pty Ltd (Wellard) detailing non-compliance with Exporter Supply Chain Assurance System (ESCAS) control requirements in Vietnam. The report provided information about the movement of 12 cattle from an approved feedlot to a suspended abattoir.

Exporter actions

After identifying the non-compliance, the following corrective actions were implemented:

- The importer's regional animal welfare officer (AWO) was sent to the feedlot to perform a full reconciliation and welfare assessment of cattle remaining in the feedlot.
- The exporter instructed the importer to remove all the remaining cattle from the feedlot within 24 hours. The remaining cattle were transferred to another approved feedlot in the Wellard supply chain.
- The exporter removed the feedlot responsible for moving cattle outside the approved supply chain from their approved supply chain.
- Following this, the exporter also removed two other feedlots in the importer's supply chain in the area from their approved supply chain.

Department assessment

On 28 August 2016, 12 cattle were moved from an approved feedlot in the Wellard Vietnam cattle supply chain to a suspended abattoir. The abattoir was suspended on 17 June 2016

(see [Report #104](#)). The movement was identified by Wellard two days later when reviewing the weekly control and traceability report provided by the importer. The cattle were unable to be retrieved from the abattoir as they had already been slaughtered.

The feedlot was only approved for Wellard at the time.

The abattoir was previously approved in the Wellard Vietnam cattle supply chain, however was removed in March 2015. At the time of the suspension the abattoir was approved in the supply chain of two other exporters.

The feedlot where the animals were moved from had been inspected by Wellard on 20 August 2016 and found to be compliant with ESCAS requirements, and all cattle were healthy.

The feedlot operator moved the cattle to the suspended abattoir for salvage slaughter due to an infection of foot and mouth disease. The feedlot operator did not notify or consult with the importer or exporter on how to manage diseased cattle prior to moving the cattle outside of the supply chain.

Department actions and conclusions

The department accepted the corrective actions implemented by the exporter (removing the facility from their supply chain) addressed the non-compliance and no additional conditions were applied to the supply chain. The feedlot is not in the approved supply chain of any other exporters. The department will consider the findings of this report when assessing any future applications to add the feedlot to an exporter’s supply chain.

In assessing this matter against the guidelines for management of non-compliance (<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/non-compliance>), the department recorded a *minor* non-compliance with ESCAS control requirements against the Wellard cattle supply chain to Vietnam.

5 SUMMARY OF REVIEWS IN PROGRESS AS AT 30 NOVEMBER 2016

Table 7 provides an overview of all regulatory performance reviews in progress as at 30 November 2016. The status of all reviews can be found on the department’s website www.agriculture.gov.au/export/live-animals/livestock/regulatory-framework/compliance-investigations/investigations-regulatory-compliance.

Table 7 Summary of ESCAS regulatory performance reviews in progress as at 30 November 2016

Web #	Market	Species	Report	Date	Received from
103	Israel	Cattle	Animal welfare concerns	June 2016	Animals Australia

114	UAE	Sheep	Loss of control and traceability, animal welfare concerns	September 2016	Animals Australia
115	Oman	Sheep	Loss of control and traceability, animal welfare concerns	September 2016	Industry
116	Kuwait	Sheep	Loss of control and traceability, animal welfare concerns	September 2016	Industry
117	UAE	Sheep	Loss of control and traceability, animal welfare concerns	September 2016	Industry
118	Malaysia	Cattle, sheep and goats	Loss of control and traceability, animal welfare concerns	September 2016	Animals Australia
119	Lebanon	Sheep	Loss of control and traceability, animal welfare concerns	September 2016	Animals Australia
120	Kuwait	Sheep	Loss of control and traceability, animal welfare concerns	September 2016	Animals Australia
121	Vietnam	Cattle	Animal welfare concerns	September 2016	Self-reported by exporter
122	Oman	Sheep	Loss of control and traceability, animal welfare concerns	September 2016	Animals Australia
123	Vietnam	Cattle	Loss of control and traceability, animal welfare concerns	October 2016	Self-reported by exporter
124	Malaysia	Sheep	Loss of control and traceability	November 2016	Self-reported by exporter
125	Vietnam	Cattle	Loss of control and traceability	November 2016	Self-reported by exporter
126	Vietnam	Cattle	Loss of control and traceability	November 2016	Self-reported by exporter
127	Indonesia	Cattle	Loss of control and traceability, animal welfare concerns	December 2016	Self-reported by exporter
128	Vietnam	Cattle	Animal welfare concerns	December 2016	Self-reported by exporter