



Australian Government

Department of Agriculture,  
Fisheries and Forestry

# Exporter Supply Chain Assurance System Regulatory Performance Report

1 January 2023 to 31 March 2023



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Department of Agriculture, Fisheries and Forestry  
GPO Box 858 Canberra ACT 2601  
Telephone 1800 900 090  
Web [agriculture.gov.au](https://agriculture.gov.au)

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### **Acknowledgement of Country**

We acknowledge the Traditional Custodians of Australia and their continuing connection to land and sea, waters, environment and community. We pay our respects to the Traditional Custodians of the lands we live and work on, their culture, and their Elders past and present.

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# Overview

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

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

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

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

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

# 1 Period summary: 1 January 2023 to 31 March 2023

Below is a summary of the number of feeder and/or slaughter livestock exported, number of reports received, and number of assessments completed during this period (1 January 2023 to 31 March 2023).

## 1.1 Livestock exported

During this period 291,693 livestock were exported under ESCAS arrangements to 9 countries. The number by species exported to each country is presented in (Table 1).

**Table 1 Summary of livestock exported – 1 January 2023 to 31 March 2023**

Country	Buffalo	Cattle	Goats	Sheep	Total
Indonesia	934	70244	–	–	71178
Israel	–	10546	–	49600	60146
Jordan	–	195	–	21452	21647
Kuwait	–	100	–	83422	83522
Malaysia	297	736	1085	3123	5241
Oman	–	–	–	22500	22500
Philippines	–	3726	–	–	3726
United Arab Emirates	–	123	–	15000	15123
Vietnam	–	8610	–	–	8610
<b>Total</b>	<b>1231</b>	<b>94280</b>	<b>1085</b>	<b>195097</b>	<b>291693</b>

## 1.2 Reports received and completed

One self-report of non-compliance with ESCAS requirements was received during this period. A summary of reports received and completed is presented in Table 2.

**Table 2 Summary of reports received and completed – 1 January to 31 March 2023**

Report type	Outstanding reports as at 1 January 2023	Reports received in current period	Assessments completed in current period	Assessments remaining in progress as at 31 March 2023 <sup>a</sup>
ESCAS	1	0	1	0
Self-reports	0	1	0	1
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

<sup>a</sup> A summary of assessments in progress is provided in Section 5 of this report.

## 2 Summary of ESCAS non-compliance assessments

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

**Table 3 Assessments completed – 1 January 2023 to 31 March 2023**

Report #	Date reported	Source	Market	Species	Australian animals involved	Exporter	Summary of issues	Non-compliance finding
186	Jun 2021	Third party	Indonesia	Cattle	18	-	Non-compliance with ESCAS animal welfare standards	Major and minor non-compliance

## 3 ESCAS Regulatory Performance Assessments

### 3.1 Indonesia

ESCAS was implemented in Indonesia on 8 July 2011.

As at 31 March 2023, there are 9 Australian exporters with approved supply chains to export livestock to Indonesia.

Since 2011, the department has previously completed assessments of 30 reports relating to non-compliance in Indonesia. The assessments can be found at [ESCAS investigations](#). As at 31 March 2023, one self-report of non-compliance is under assessment for Indonesia.

#### 3.1.1 Report #186: Cattle exported to Indonesia – Major and minor non-compliance

##### Incident Report

On 25 June 2021, the Department of Agriculture, Water and the Environment received a report from People For The Ethical Treatment of Animals Asia (PETA) alleging non-compliance with Exporter Supply Chain Assurance System (ESCAS) animal welfare requirements in Indonesia between 12 April and 5 May 2021.

The PETA report, dated 22 June 2021, alleged non-compliance at 7 abattoirs, specifically that:

- Workers jabbed a steer with metal prods over 60 times and twisted and yanked his tail after a failed stunning attempt.
- Staff stepped and yanked on cows' tails.
- Staff hoisted and cut animals, despite observing that their limbs were moving.

PETA provided video and photographic evidence of the allegations taken at each of the 7 abattoirs.

##### Department Assessment

The department reviewed supply chain records and determined that 7 exporters had approved supply chains for cattle in Indonesia including one or more of the implicated abattoirs at the time of the report. Six of these exporters were responsible for Australian cattle present in one or more of these abattoirs at the time the video footage was collected.

On 1 July 2021, the department notified each of the exporters of the PETA report and requested that each review their practices and procedures relating to animal handling and slaughter at the relevant abattoirs to ensure ongoing compliance with ESCAS animal welfare standards.

The department completed an initial review of the submitted media and found it showed evidence of handling that would not comply with one or more ESCAS animal welfare standards at each of the 7 abattoirs named in the complaint.

There was evidence related to handling and moving cattle, stunning and checks for consciousness/death. At 2 abattoirs approved for non-stun slaughter, there was also evidence relating to the slaughter process that would not comply with one or more ESCAS animal welfare standards. Table 1 provides a summary of the department’s assessment of the video footage.

*Table 1 – Department assessment of PETA video footage.*

	Approved slaughter method/s	Number of cattle	Video assessment	Department findings
<b>Abattoir 1</b>	Stunning	3	Consciousness and death confirmation checks not properly carried out prior to slaughter and dressing.	<ul style="list-style-type: none"> <li>• Non-compliant slaughter procedures.</li> </ul>
<b>Abattoir 2</b>	Stunning	5	Consciousness and death confirmation checks not properly carried out prior to slaughter and dressing. Ineffective initial stun with delayed restun. Excessive force used on animals.	<ul style="list-style-type: none"> <li>• Non-compliant handling and restraint procedures.</li> <li>• Non-compliant slaughter procedures.</li> </ul>
<b>Abattoir 3</b>	Stunning	1	Consciousness and death confirmation checks not properly carried out prior to slaughter and dressing.	<ul style="list-style-type: none"> <li>• Non-compliant slaughter procedures.</li> </ul>
<b>Abattoir 4</b>	Stunning	4	Consciousness and death confirmation checks not properly carried out.	<ul style="list-style-type: none"> <li>• Non-compliant slaughter procedures.</li> </ul>
<b>Abattoir 5</b>	Stunning	2	Consciousness and death confirmation checks not properly carried out prior to slaughter and dressing.	<ul style="list-style-type: none"> <li>• Non-compliant slaughter procedures.</li> </ul>
<b>Abattoir 6</b>	Stunning Non-stun	2	Excessive force used to move animal. Incorrect non-stun slaughter methods. Consciousness confirmation checks not properly carried out following slaughter, prior to hoisting.	<ul style="list-style-type: none"> <li>• Non-compliant handling and restraint procedures.</li> <li>• Non-compliant slaughter procedures.</li> </ul>



	Approved slaughter method/s	Number of cattle	Video assessment	Department findings
<b>Abattoir 7</b>	Stunning Non-stun	1	Incorrect non-stun slaughter methods.	<ul style="list-style-type: none"> <li>• Non-compliant slaughter procedures.</li> </ul>

In one incident at abattoir 2, the first stun of the animal was ineffective. This was followed by inappropriate use of a metal implement (appeared to be a knife sharpening steel) to try and move the animal by repeatedly striking it on the head and body for over three minutes. There was also repeated and excessive twisting of the animal’s tail and failure to administer a second stun of the animal when appropriate. Across several abattoirs, there were multiple instances where it was not clear that abattoir staff had appropriately confirmed unconsciousness of cattle before hoisting the animal or throwing water on it. There were also instances of abattoir staff failing to adequately confirm death before further dressing of the animal took place. However, it was not possible to fully assess the state of consciousness of the cattle in the video footage. From the assessment that could be made, it appeared likely that cattle were unconscious prior to the act of slaughter (for stunned slaughter) or hoisting, and dead prior to further dressing.

**Exporter actions**

On 9 July 2021, the department met with several of the exporters’ representatives to discuss the development of a joint management plan to address the department’s initial concerns and provide assurance that the abattoirs were able to meet ESCAS animal welfare requirements on an ongoing basis.

On 12 July 2021, the exporters provided the department with an ESCAS Assurance Management Plan which consisted of the following steps:

1. Immediate notification of the alleged non-compliances to relevant facility Animal Welfare Officers
2. Facility and AWO Training in relation to ESCAS animal welfare obligations
3. Verification of training success (Phase 1)
4. Ongoing verification (Phase 2)
5. Transition to standard routine oversight (Phase 3)

The exporters provided an updated version of this plan on 20 July 2021 and gave progress updates on the plan on 28 July, 3 August and 23 August 2021.

**Self-report of ESCAS control and traceability non-compliance**

On 29 July 2021, an exporter advised the department that, while assessing the video footage provided by the department for this investigation, they had identified a control and traceability non-compliance within their Indonesia-Cattle supply chain.

The exporter identified 5 red ear tags which they could link to a cattle consignment of theirs at an abattoir which was not, at that stage, approved in their Indonesia supply chain.

The cattle had been on-sold to this abattoir from an abattoir within the exporter's supply chain by a butcher who had falsified end of life traceability documentation for the cattle so it appeared they had been slaughtered at the approved abattoir.

On discovering the non-compliance, the exporter immediately contacted their importer who ceased supply to the butcher and implemented further corrective action.

The initial report was received within the required time frame of five working days, appropriate corrective action was implemented by the exporter and no regulatory action was required to be taken by the department on this matter. The abattoir to which the cattle had been sent was approved in other exporters' supply chains.

### **Department actions to date**

On 6 July 2021, the department wrote to each of the exporters informing them of the non-compliances and provided them with access to video footage relevant to their supply chain. The department required that immediate action be taken to ensure on-going compliance with ESCAS requirements including appropriate checks for consciousness and death prior to slaughter, hoisting or dressing of the animals. The department requested that exporters respond to this notification with information regarding outcomes of immediate actions they had taken to prevent ongoing non-compliances in these abattoirs.

The department required exporters to provide information regarding their monitoring procedures at the implicated abattoirs and traceability records relating to the dates of the video footage.

On receiving PETA's report and identifying handling that did not comply with ESCAS animal welfare standards, the department took immediate regulatory action, applying conditions to relevant exporters' approved supply chains requiring ongoing implementation and verification of the ESCAS Assurance Management Plan along with additional independent auditing of the implicated abattoirs.

### **Department conclusions**

The department reviewed the information provided by PETA and the exporters and concluded that systemic issues at multiple abattoirs in Indonesia resulted in practices that would not comply with ESCAS animal welfare requirements. These abattoirs were listed in the approved ESCAS of multiple exporters that had cattle within these supply chains at the time of the confirmed non-compliances.

There were inconsistencies in exporter interpretations of ESCAS animal welfare standards relevant to these incidents, especially regarding procedures by abattoir staff to assess unconsciousness following stunning and verify death following slaughter. Further, there were deficiencies in the processes in place at some of the abattoirs to ensure consistent compliance with ESCAS animal welfare requirements.

The department identified that in all abattoirs, incidents occurred that are considered consistent with *minor* non-compliance with ESCAS animal welfare standards. In abattoir 2, further incidents occurred that are considered consistent with *major* non-compliance with ESCAS animal welfare

standards. Based on the information received, the department was able to determine which exporters had animals slaughtered within each abattoir on the night the video footage was taken. However, the department was not able to determine the exact identities of the cattle in the footage. Therefore, it was not possible to determine the specific extent of responsibility for non-compliance by each exporter.

The department recognises that the current [guideline for the management of non-compliance](#) does not provide a clearly articulated approach to the attribution of non-compliance in situations where multiple exporters are implicated but definitive correlations cannot be established between a non-compliance and a specific exporter/s responsible for it based on available evidence. This issue is being considered and will be addressed through the department's review of the ESCAS framework, including updating the ESCAS animal welfare standards to ensure clear, consistent and unambiguous interpretation.

The department determined that the training and corrective actions implemented by the exporters as well as the conditions placed by the department on exporter supply chains in response to these non-compliances were collectively effective in addressing these non-compliances and preventing their recurrence.

## 4 ESCAS issues identified and addressed by exporters

One exporter provided a report to the department regarding their supply chain in Indonesia. The report complied with the department's ESCAS self-reporting requirements, was received within the required time frame and corrective actions were implemented by the exporter. The department is currently assessing these corrective actions.

## 5 Summary of assessments in progress as at 31 March 2023

Table provides an overview of all regulatory performance assessments in progress as at 31 March 2023. The status of all reviews can be found at [ESCAS Investigations](#).

**Table 4 Summary of ESCAS investigations in progress as at 31 March 2023**

#	Date reported	Type	Market	Species	Report
-	March 2023	Self-report	Indonesia	Cattle	-