



Australian Government

Department of Agriculture,
Fisheries and Forestry

Exporter Supply Chain Assurance System Regulatory Performance Report

1 July 2021 to 30 June 2022



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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 – animal welfare, control and traceability – whereby the exporter must demonstrate, through a system of reporting and independent auditing of their supply chains:

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

If issues arise, ESCAS requires exporters to address any non-compliance matters within their supply chains. This may be managed by undertaking additional steps or corrective actions at facilities (for example delivering training or upgrading infrastructure), removing non-compliant facilities from a supply chain, or 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 July 2021 to 30 June 2022

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 July 2021 to 30 June 2022).

1.1 Livestock exported

During this period 980,273 livestock were exported under ESCAS arrangements to 12 countries. The number by species exported to each country is presented in (Table 1).

Table 1 Summary of livestock exported – 1 July 2021 to 30 June 2022

Country	Buffalo	Cattle	Goats	Sheep	Total
Brunei Darussalam	2424	7789	–	–	10213
Indonesia	8106	339852	–	–	347958
Israel	–	25756	–	57167	82923
Japan	–	11449	–	–	11449
Jordan	–	177	–	7150	7327
Kuwait	–	738	–	313295	314033
Malaysia	1592	10130	870	8733	21262
Oman	–	–	–	32000	32000
Philippines	–	10198	–	–	10198
Thailand	–	3832	–	–	3832
United Arab Emirates	–	644	–	54378	55022
Vietnam	251	83805	–	–	84056
Total	12373	494370	807	472723	980273

1.2 Reports received and completed

During this period, the department received 6 reports of non-compliance with ESCAS requirements. These reports involved supply chains in the United Arab Emirates, Indonesia, Jordan, Oman and Japan. A summary of reports received and completed is presented in (Table 2).

Table 2 Summary of reports received and completed – 1 July to 30 September 2022

Report type	Outstanding reports as at 1 July 2021	Reports received in current period	Assessments completed in current period	Assessments remaining in progress as at 30 June 2022 ^a
ESCAS	6	3	8	1
Self-reports	0	3	3	0
Total	6	6	11	1

^a 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 each assessment is provided in Section 3 of this report.

Table 3 Assessments completed – 1 July 2021 to 30 June 2022

Report #	Date reported	Source	Market	Species	Australian animals involved	Exporter	Summary of issues	Non-compliance finding
180	Aug 2020	Third party	Indonesia	Cattle	2	SEALS (Abattoir 1)	Loss of control and traceability and animal welfare concerns	Critical non-compliance
180	Aug 2020	Third party	Indonesia	Cattle	29	Australian Rural Exports Pty Ltd Frontier International Northern Pty Ltd (Abattoir 2)	Non-compliance with ESCAS animal welfare standards, control and traceability requirements	Major non-compliance
182	Aug 2020	Third party	Vietnam	Cattle	7	N/A	N/A	No confirmed non-compliance
183	Sep 2020	Exporter	Vietnam	Cattle	0	N/A	N/A	No confirmed non-compliance
184	Dec 2020	Exporter	Vietnam	Cattle	83	SEALS	Loss of control and traceability	Critical non-compliance
185	Jan 2021	Exporter	Vietnam	Cattle	100	Australian Rural Exports Pty Ltd	Loss of control and traceability	Critical non-compliance
187	July 2021	Third party	UAE	Sheep	4	Rural Export & Trading (WA) Pty Ltd	Loss of control and traceability and animal welfare concerns	Critical non-compliance
188	July 2021	Third party	Indonesia	Cattle	0	N/A	N/A	No confirmed non-compliance
189	July 2021	Third party	Jordan	Sheep	10	Livestock Shipping Services	Loss of control and animal welfare concerns	Critical non-compliance

3 ESCAS Regulatory Performance Assessments

3.1 Indonesia

ESCAS was implemented in Indonesia on 8 July 2011.

As at 30 June 2022, there are 9 Australian exporters with approved supply chains to export livestock to Indonesia.

Since 2011, the department has previously completed assessments of 28 reports relating to non-compliance in Indonesia. The assessments can be found at ESCAS investigations. As at 30 June 2022, one report of non-compliance is under assessment for Indonesia.

3.1.1 Report #180: Cattle exported to Indonesia – Major and critical non-compliance

On 7 August 2020, the department received a report from Animals Australia alleging non-compliance with ESCAS animal welfare requirements in Indonesia. Animals Australia alleged that Australian cattle were observed to be subjected to roping slaughter at two approved abattoirs.

Abattoir 1:

Animals Australia alleged that on 5 August 2020, their informant filmed 2 Australian cattle being slaughtered via a Mark I slaughter box. In both cases, a leg was roped, the animal was tripped onto a sloping concrete slab and the throat was cut without prior stunning. Animals Australia alleged that 6 more Australian cattle were to be slaughtered that morning however the informant was told to leave by the abattoir staff who became aggressive after the informant attempted to openly film the slaughtered animals' ear tags.

Abattoir 2:

Animals Australia provided footage taken on 5 August 2020 showing one animal held in a Mark IV restraint box for almost 7 minutes. One staff member can be seen prodding the animal on the rump with a stick.

Animals Australia alleged that at 2.30am on 6 August 2020, their informant filmed 2 Australian cattle being slaughtered. The method used to restrain the cattle was via ropes tied to metal fixings, enabling the cattle to be tripped via leg ropes and then slaughtered without stunning on the ground. Animals Australia provided an account from the investigator alleging that a total of 4 animals were restrained with ropes and slaughtered on the floor on 6 August 2020.

Animals Australia alleged that when the informant attempted to film the animal's ear tag, he was ejected from the facility and his phone taken from him. The phone and the captured footage have not been retrieved.

Animals Australia provided video footage and photographs along with their complaint letter. A total of 54 photographs and 15 video files were provided from abattoir 1 and 16 photographs and 4 video files were provided from abattoir 2.

Department assessment

Based on GPS coordinates, addresses and names, the department determined that five exporters had one or both of the abattoirs approved in their supply chains.

Abattoir 1:

The department assessed the video footage provided by Animals Australia. A total of four animals were filmed being restrained using ropes in a Mark I box and then slaughtered without stunning on the floor next to the restraint box. Two of the cattle had visible ear tags. On 18 August 2020, South East Asian Livestock Services (SEALS) reported that 2 of the cattle that were slaughtered in the Mark I box at Abattoir 1 were SEALS cattle. The tags observed in the footage correspond with the tags from SEALS consignments.

Two cattle could not be definitively determined to be of Australian origin due to the lack of visible ear tags, ear notches or brands.

Abattoir 2:

The department assessed the video footage provided by Animals Australia. One animal was filmed in a Mark IV restraint box for almost 7 minutes. One staff member prodded the animal on the rump with a stick. No footage of slaughter at abattoir 2 was provided so allegations of non-compliant slaughter could not be substantiated.

One exporter reported that the approved Mark IV restraint box was in a state of disrepair with a broken side-squeeze and that repairs would be carried out in the coming days. Three exporters (AUSTREX, Frontier International (FIN) and SEALS) provided traceability data to the department showing that cattle in their supply chains had been slaughtered at abattoir 2 on or after the confirmation that the restraint box was not functioning properly (5 August 2020).

Control and traceability issues:

One of the videos of cattle in the lairage at abattoir 2, taken on 30 July 2020, shows an animal with an identifiable ear tag that corresponded to an animal exported in a consignment by FIN. The same ear tag can be seen on the animal filmed on 5 August 2020 being held for 7 minutes as described above. FIN's reconciliation data indicates that this animal was slaughtered on 22 July 2020 – that is, prior to this footage being taken.

Over the course of the investigation, in response to formal requests from the department for information, SEALS repeatedly provided contradictory figures relating to numbers of animals remaining in the relevant facilities and numbers of animals slaughtered on any particular day. These inconsistencies reflect an overall failure of control and traceability within the supply chain. SEALS also reported that they had continued slaughter at abattoir 2 after the department required all exporters to cease slaughter.

During the course of this investigation, the department identified a number of issues relating to exporters' monitoring and oversight of their supply chains. These issues can be broadly summarised as:

- Inadequate use of risk assessments to allocate additional resources appropriately during periods and/or in locations that pose a higher risk of non-compliance
- A lack of sufficient control in abattoirs that utilise multiple slaughter lines to ensure that animals are only slaughtered in approved slaughter lines
- A lack of recognition of non-compliant slaughter
- Failure by exporters to monitor infrastructure maintenance (e.g. restraint box) and insufficient controls to ensure that broken or faulty infrastructure is not used until it is repaired.

The department will include consideration of the issues identified through this investigation in its review of the ESCAS framework to be undertaken in 2022.

Department actions

The department provided all documentary, video and photographic evidence to the exporters on 8 August 2020 for their investigation and action and required them to provide a response to the evidence as well as reconciliation data for their livestock in Indonesia.

On 12 August 2020, following a notice of intention on 11 August 2020, the department required all exporters with the abattoirs in their supply chain to cease supply and slaughter at the relevant facilities and to remove any remaining animals from them. Exporters were required to notify the department when no animals remained in the facility or provide a management plan to remove any animals remaining. Australian Rural Exports Pty Ltd (AUSTREX) responded to the department following the notice of intention to report they had suspended the abattoirs in response to the initial notification of the incident.

Once no Australian animals remained at either abattoir, the department required exporters seeking to recommence supply to develop and implement a comprehensive management plan. These plans were gradually implemented over the following months, requiring exporters to provide additional oversight and independent auditing of slaughter practices and infrastructure. These plans remained in place for nearly 12 months, with their implementation independently audited, to provide assurance of ongoing compliance.

There has been no further non-compliance with ESCAS requirements identified at either abattoir since this time up to and including the date of publication of this report.

The department increased the risk rating of the implicated abattoirs requiring more regular independent auditing.

Department conclusions

Exporters implemented strict management plans and appropriate corrective actions, as required by the department, to allow compliant operations to recommence at the implicated abattoirs. These management plans included:

- Assisting abattoirs with refurbishment and ongoing maintenance of infrastructure
- Increased oversight by exporter staff, including routine onsite inspections and review of processing footage
- Review of slaughter practices by an independent auditor
- Slaughter box maintenance training with abattoir staff
- Independent review of restraint box condition

Based on the evidence and information provided by Animals Australia and the exporters, the department determined that Australian cattle had been slaughtered using unapproved methods at abattoir 1. In assessing this matter against the [Guideline for the Management of Non-compliance](#), the department recorded *critical* non-compliance with ESCAS animal welfare, control and traceability requirements against SEALS.

Based on the evidence and information provided by Animals Australia and the exporters, the department determined that Australian cattle had been restrained for slaughter using unapproved methods at abattoir 2. In assessing this matter against the [Guideline for the Management of Non-compliance](#), the department recorded *major* non-compliance with ESCAS animal welfare standards, control and traceability requirements against AUSTREX, FIN and SEALS.

3.1.2 Report #188: Cattle exported to Indonesia – No confirmed non-compliance

On 27 July 2021, Animals Australia wrote to the department alleging that Australian cattle may have been moved outside an approved supply chain.

Animals Australia provided links to two online videos and a series of still images from the videos showing cattle with physical characteristics consistent with Australian cattle. The videos showed cattle in various public locations and on various dates in Indonesia.

Department assessment and actions

A detailed analysis of the footage, including translations of audio and assessment of the metadata, determined that the videos were compilations of multiple other videos filmed in 2018, 2019, 2020 and 2021.

Of the cattle visible in the video footage, 3 had possible specific identifiers – 2 with ear tags and one with ear notching. The two ear tags visible in the footage were unreadable and could not definitively identify the cattle. Advice was sought from relevant State/Territory Government officials regarding the ear notching, but it was not possible to definitively identify the animal based on the ear notches.

Department conclusions

Based on evidence available, the department could not confirm any non-compliance with ESCAS requirements. While some of the cattle in the video footage may have been exported from Australia there was insufficient evidence to confirm this.

3.2 Jordan

ESCAS was implemented in Jordan on 1 September 2012.

As at 30 June 2022, there is one Australian exporter with approved supply chains to export livestock to Jordan.

Since 2011, the department has previously completed assessments of 10 reports relating to non-compliance in Jordan. The assessments can be found at [ESCAS investigations](#). As at 30 June 2022, no reports of non-compliance are under assessment for Jordan.

3.2.1 Report #189: Sheep exported to Jordan – Critical non-compliance

On 28 July 2021, Animals Australia submitted a report to the department, alleging systematic non-compliance with Exporter Supply Chain Assurance System (ESCAS) animal welfare requirements. Animals Australia provided photographs and video footage collected on 20 July 2021, during Eid al-Adha (the Islamic festival of sacrifice). The footage allegedly showed non-compliant handling and slaughter of sheep in an ESCAS approved abattoir in Jordan and Australian sheep being slaughtered outside the approved abattoir within the facility.

Department assessment

At the time of the report, one exporter had an approved ESCAS for sheep in Jordan - Livestock Shipping Services Pty Ltd (LSS).

The department assessed the videos and photographs and confirmed there was non-compliant handling of Australian sheep at the approved facility and non-compliant slaughter of Australian sheep at the approved abattoir. The department could not substantiate the allegation that Australian sheep were slaughtered within the facility, but outside the approved abattoir. The department also concluded, given the repeated instances of non-compliant slaughter without immediate corrective action, that LSS's control arrangements at the facility had failed.

Department actions

On 28 July 2021, the department provided LSS with access to all photographs and video footage submitted by Animals Australia and required that supply and slaughter of Australian sheep to the relevant facility be ceased. In February 2022, LSS applied to the department to remove the relevant facility from their approved ESCAS.

No Australian sheep have been supplied to the relevant facility since this incident and up to and including the date of publication of this report, no exporter has applied to the department to include the facility in an ESCAS.

Exporter actions

LSS immediately ceased supply of sheep to the facility while investigations were undertaken and moved all remaining Australian sheep to another ESCAS approved facility in Jordan.

On 12 August 2021, LSS provided their final report to the department including detailed analysis of the video footage provided by Animals Australia. LSS admitted non-compliance with ESCAS animal welfare standards relating to the handling and slaughter of animals including:

- Failure to restrain animals adequately for slaughter
- Failure to hold the animals after slaughter in a manner to prevent the wound edges touching prior to unconsciousness
- Moving animals after slaughter before confirming they were unconscious
- Catching and dragging animals by their hind leg or by holding their wool.

LSS denied the allegation of slaughtering Australian sheep outside the approved abattoir. In a report submitted to the department, LSS stated that there were both Australian and non-Australian sheep being slaughtered in the facility on the day of the footage and the carcasses filmed on the ground outside the abattoir were either non-Australian sheep or were Australian sheep which had been correctly slaughtered and were waiting to be moved for dressing.

Department conclusions

Table 4 Department assessment of Animals Australia video footage against ESCAS animal welfare standards

	Video assessment	ESCAS non-compliance findings
Video 1	Stockmen holding and dragging 3 sheep by hind leg	Non-compliant handling and restraint procedures
Video 2	Sheep on ground already slaughtered	Nil confirmed
Video 3	Sheep on ground already slaughtered	Nil confirmed
Video 4	Sheep on ground already slaughtered	Nil confirmed
Video 5	Sheep on ground already slaughtered	Nil confirmed
Video 6	Sheep on ground already slaughtered	Nil confirmed
Video 7	Stockman holding and dragging 1 sheep by hind leg	Non-compliant handling and restraint procedures.
Video 8	Australian sheep in pen	Nil confirmed
Video 9	Stockman holding and dragging 1 sheep by hind leg	Non-compliant handling and restraint procedures.
Video 10	Already slaughtered sheep in back of truck and on ground. One slaughtered sheep being dragged along ground. All appear unconscious although one is still twitching	Nil confirmed
Video 11	4 sheep in total. Non-compliant restraint prior to slaughter then sheep released or moved immediately after slaughter prior to unconsciousness being confirmed.	Non-compliant handling and restraint procedures. Non-compliant slaughter procedures. Repeated non-compliant slaughter without immediate corrective action.
Video 12	1 sheep being held by a hind leg	Non-compliant handling and restraint procedures.

Based on evidence and information provided by Animals Australia and LSS, the department determined that there was non-compliant handling and slaughter of Australian sheep in an ESCAS approved facility in Jordan (Table 4). There was insufficient evidence to substantiate the allegation of slaughter of Australian sheep outside an ESCAS approved facility in Jordan. The department also concluded, given the repeated instances of non-compliant slaughter without immediate corrective action, that LSS's control arrangements at the facility had failed.

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

3.3 United Arab Emirates

ESCAS was implemented in United Arab Emirates on 1 September 2012.

As at 30 June 2022, there is one Australian exporter with approved supply chains to export livestock to United Arab Emirates.

Since 2011, the department has previously completed assessments of 8 reports relating to non-compliance in United Arab Emirates. The assessments can be found at [ESCAS investigations](#). As at 30 June 2022, no reports of non-compliance are under assessment for United Arab Emirates.

3.3.1 Report #187: Sheep exported to United Arab Emirates – Critical non-compliance

On 26 July 2021, Animals Australia submitted a report to the department, alleging non-compliance with Exporter Supply Chain Assurance System (ESCAS) control, traceability and animal welfare requirements. Animals Australia provided photographs and video footage collected on 20 July 2021, during Eid al-Adha (the Islamic festival of sacrifice), showing Australian sheep having their legs tied in the back of a ute and being lifted into boots of private cars in the United Arab Emirates (UAE).

Department assessment

At the time of the report, one exporter had an approved ESCAS for sheep in UAE - Rural Export & Trading (WA) Pty Ltd (RETWA).

The department assessed the photographs and video footage provided by Animals Australia and confirmed that 4 Australian sheep had been removed from an approved ESCAS in UAE and loaded into the boots of private cars after having their legs trussed. The animal welfare outcome for the sheep loaded into the private cars could not be determined.

On 4 August 2021, the department required that supply of Australian sheep to the relevant facility be ceased.

Department actions

On 27 July 2021, the department provided RETWA with access to all photographs and video footage submitted by Animals Australia and requested they work through their in-country representatives to ensure ongoing compliance with ESCAS requirements for any sheep remaining in the facility.

On 4 August 2021, the department required that supply of Australian sheep to the relevant facility be ceased.

The department required RETWA to develop and implement a more robust management plan for Eid al-Adha 2022, including a thorough risk assessment in the months leading up to the festival.

The department allowed supply to the implicated facility to resume under a strict management plan that addressed gaps in RETWA's control arrangements identified through this investigation. The department increased the risk rating of the implicated facility requiring more regular independent auditing. The department also required performance of the management plan to be independently audited.

There has been no further non-compliance with ESCAS requirements identified at the facility since this time up to and including the date of publication of this report.

Exporter findings

RETWA did not dispute the allegations made by Animals Australia. They accepted that the photographs and footage showed a clear breach of ESCAS control and traceability requirements.

RETWA's initial investigations indicated that the driver and ute involved in the incident could not be identified by their importer's representatives and were likely not registered transporters of sheep.

Exporter actions

RETWA admitted that their supply chain management plan failed in this instance and advised that they had commenced an internal review to address the identified non-compliance and issues for future supply during Eid al-Adha.

On 2 August 2021, RETWA advised the department that their importer in UAE had sent all remaining sheep from the implicated facility for slaughter at an ESCAS approved abattoir. As a result of these actions, no sheep remained in the implicated facility.

Department conclusions

Based on evidence and information provided by Animals Australia and RETWA, the department determined that loss of control and traceability has occurred for 4 sheep. The sheep in the video footage had been removed from the approved supply chain and loaded into an unauthorised vehicle.

The department accepted RETWA's response and did not require any further immediate action as it had already required supply of Australian sheep to the relevant facility be ceased on 4 August 2021.

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

3.4 Vietnam

ESCAS was implemented in Vietnam on 31 December 2012.

As at 30 June 2022, there are 8 Australian exporters with approved supply chains to export livestock to Vietnam.

Since 2011, the department has previously completed assessments of 73 reports relating to non-compliance in Vietnam. The assessments can be found at [ESCAS investigations](#). As at 30 June 2022, no reports of non-compliance are under assessment for Vietnam.

3.4.1 Report #182: Cattle exported to Vietnam – No confirmed non-compliance

On 25 August 2020, the department received a report from a third party alleging multiple non-compliances with ESCAS animal welfare, control and traceability requirements in Vietnam.

The report claimed that:

- 1) An unspecified number of Australian cattle were transported from ESCAS approved facilities to unapproved facilities in Vietnam between 28 July 2020 and 14 August 2020.
- 2) On 19 August 2020, 7 Australian cattle were observed in an unapproved abattoir in Vietnam. On 20 August 2020 one Australian bull was observed being slaughtered at the unapproved abattoir.
- 3) Between 15 August 2020 and 22 August 2020, an unspecified number of Australian cattle were transported from ESCAS approved feedlots to an unapproved facility in Vietnam.
- 4) On 4 August 2020 an unspecified number of Australian cattle were flooded at an ESCAS approved abattoir. Flooding is the process of introducing liquid into an animal via a nasogastric tube for any purpose other than that of veterinary treatment. It is used to artificially increase an animal's weight and can cause pain and distress to the animal.
- 5) Between 7 August 2020 and 10 August 2020, control and traceability equipment (CCTV cameras) was interfered with and/or damaged at 4 ESCAS approved facilities resulting in a loss of control and/or traceability.

The third party provided video and photographic evidence of the allegations taken at the various facilities mentioned in the allegations.

Department Assessment

The department reviewed supply chain records and determined that 10 exporters had approved supply chains for cattle in Vietnam at the time of the report.

On 28 August 2020, the department notified each of the exporters of the reports and requested that each review their practices and procedures relating to ESCAS animal welfare, control and traceability standards.

The department completed an initial review of the submitted media and found that there was evidence of potential non-compliance with ESCAS control and traceability standards. The back of what appears to be an Australian NLIS tag could be seen on a bull slaughtered at an unapproved

abattoir and the bull had distinctive ear notching similar to that used on Australian properties. Other cattle seen at this abattoir also have ear notches consistent with those used in Australia.

The department required exporters to submit details of their control and traceability records for their Vietnam supply chains over the period relevant to the reports. Each of the exporters responded that there had been no loss of control or traceability from their Vietnam supply chains as evidenced by their control and traceability records.

Comparisons of the ear notches and tags of the cattle in the footage at unapproved facilities against property of origin records from historic consignments of cattle exported to Vietnam could not identify a responsible exporter for these cattle.

The department reviewed the footage from an ESCAS approved abattoir allegedly showing that flooding had occurred prior to slaughter. The footage did not conclusively indicate that the cattle had been flooded nor could they be confirmed as Australian cattle.

Six exporters reported they had evidence that CCTV cameras had been interfered with or damaged at one or more of their facilities in Vietnam but that this had not led to any loss of control and traceability within the supply chain and corrective repairs had taken place on the affected equipment.

Department conclusions

The department reviewed the information provided by the third party and the exporters.

Based on the information received, and with respect to allegation 2 above, the department determined that there was enough evidence to substantiate the claim that Australian cattle had been present and slaughtered at an unapproved abattoir but there was insufficient evidence to link these cattle to a particular exporter. As such, the department was not able to record non-compliance against any single exporter after assessing the matter against the [Guideline for the management of non-compliance](#). The abattoir involved has since been approved as an ESCAS facility and there is no evidence to suggest there were any adverse animal welfare outcomes when the footage was taken.

There was insufficient evidence to substantiate the remaining allegations.

3.4.2 Report #183: Cattle exported to Vietnam – No confirmed non-compliance

On 11 September 2020, the department received a report from an exporter advising they had received notification of increased risk of cattle flooding at an ESCAS approved abattoir in Vietnam. The exporter had immediately ceased supplying the abattoir.

“Cattle flooding” is a process of introducing liquid into an animal via a nasogastric tube for any purpose other than that of veterinary treatment. It is a practice that does not comply with ESCAS animal welfare standards as it can cause pain and suffering.

Exporter actions

At the time of the report, the implicated abattoir was approved in 6 exporters’ supply chains, including the exporter that initially notified the department.

Two of the exporters advised the department they had already ceased supply to the abattoir because of prior knowledge of flooding allegations at the abattoir.

Following an investigation by the department, 2 further exporters also advised that they had prior knowledge of the flooding allegations and had ceased supply.

The final exporter had never supplied cattle to the implicated abattoir.

Department assessment and actions

The department required all exporters with the abattoir in their supply chain to cease supply and slaughter at the abattoir.

Four of the exporters became aware of the potential flooding before the department did. They all ceased supply to the abattoir but failed to notify the department of their actions as required.

Had the department been made aware of the concerns earlier, it could have taken proactive measures to address the risk of non-compliance with ESCAS requirements at the abattoir.

The department concluded that there was insufficient evidence to confirm Australian cattle were subject to flooding at the abattoir.

Department actions and conclusions

Exporters are required to inform the department of any relevant change in circumstance that relates to an approved ESCAS, as soon as practicable, but no later than 5 business days after becoming aware of the change. It is reasonable to consider that an exporter deciding to cease supply to an approved abattoir within an ESCAS supply chain due to animal welfare concerns is “a relevant change in circumstances”.

Considering that appropriate corrective measures were taken by all relevant exporters once they became aware of the potential issue, and that the allegations of flooding could not be confirmed, the department did not take further action against exporters that failed to advise it of relevant changes to their ESCAS approved supply chains.

3.4.3 Report #184: Cattle exported to Vietnam – Critical non-compliance

On 7 December 2020, the department received a report from South East Asian Livestock Services Pty Ltd (SEALS) regarding non-compliance with ESCAS control and traceability requirements in Vietnam. SEALS reported that 85 cattle were en route from an approved feedlot to an ESCAS approved abattoir when they were redirected to unapproved facilities.

Exporter actions

On 7 December 2020, SEALS advised that they would send representatives to the feedlot to monitor all ongoing cattle movement from the feedlot and complete a physical reconciliation. SEALS suspended all movement of cattle from the feedlot to the approved abattoir.

SEALS reported that the purchaser of the cattle instructed truck drivers to divert the cattle to his own abattoir, so he could avoid paying to use the services of the approved abattoir.

On 15 February, SEALS confirmed that 83 cattle had been sent to locations outside the approved supply chain, not 85 as previously reported. SEALS was not able to determine the destination or animal welfare outcomes for any of these cattle.

Department assessment

At the time of the report, the feedlot and abattoir were only approved for SEALS.

Based on evidence provided, the department determined that cattle had been moved to an unapproved location from the implicated feedlot on 6 separate occasions between September and December 2020.

Department actions

On 9 December 2020, the department required SEALS to cease the supply of cattle to the feedlot and undertake additional monitoring and oversight of remaining cattle, including regular physical reconciliations, until no SEALS cattle remained in the feedlot.

At the time of publishing this report, SEALS has not applied to the department to recommence supply to the implicated feedlot.

Department conclusions

Based on the evidence and information provided by SEALS, the department determined that 83 Australian cattle had been sent to unknown locations in Vietnam with no evidence that animal welfare outcomes were met.

In assessing this matter against the [Guideline for the Management of Non-compliance](#), the department recorded critical non-compliance with ESCAS control and traceability requirements against SEALS's cattle supply chain in Vietnam.

3.4.4 Report #185: Cattle exported to Vietnam – Critical non-compliance

On 13 January 2021, Australian Rural Exports Pty Ltd (AUSTREX) notified the department of the loss of control of 30 cattle from an ESCAS approved feedlot in Vietnam on 8 January 2021. AUSTREX reported that the cattle were sent to a different feedlot – an ESCAS approved facility that was not in AUSTREX's supply chain at the time. AUSTREX applied to the department to add this facility to its own supply chain following this incident. This application was approved on 21 January 2021.

On 2 February 2021, AUSTREX reported loss of control of 18 further cattle from the same feedlot on 29 January 2021. The cattle were sent to 2 abattoirs – both were ESCAS approved but not in AUSTREX's supply chain.

On 5 March 2021, AUSTREX reported loss of control and traceability of 52 further cattle from the same feedlot on 2 March 2021. The destination for these cattle is unknown. Accounts from in-country staff suggest these cattle may also have been sent to ESCAS approved facilities but this could not be verified.

Exporter findings and actions

AUSTREX reported that on the 15 December 2020 their importer stated they planned to sell a portion of their remaining AUSTREX cattle to a feedlot in Vietnam, approved in other exporters' supply chains. AUSTREX had no pre-existing relationship or commercial relationship with this feedlot. However, AUSTREX undertook their standard pre-approval checks, and the department approved the addition of the feedlot to their supply chain on 23 December 2020. The non-compliances that subsequently occurred, all relate to the feedlot who purchased the cattle from AUSTREX's importer.

AUSTREX notified the department promptly following each of the incidents. Following the first incident, AUSTREX applied to the department to add the relevant feedlot to its own supply chain. This application was approved on 21 January 2021.

In the first 2 incidents, the feedlot sent cattle to ESCAS approved facilities, outside AUSTREX's approved supply chain. The feedlot did however inform AUSTREX of the movements and therefore AUSTREX was able to maintain traceability for the cattle.

Following the first 2 incidents, AUSTREX implemented corrective actions including:

- Employment of additional staff onsite at the implicated feedlot and to oversee the supply chain
- Daily inspections, reconciliations and associated reporting at the implicated feedlot by AUSTREX staff
- Reinforcing ESCAS responsibilities to the feedlot management

Following the third incident, AUSTREX in-market staff immediately conducted a further investigation into these lost cattle including:

- Interviewing the feedlot manager
- Requesting traceability records from their importer
- Visiting abattoirs within and outside the approved supply chain to verify processing records and seek information about the lost cattle

During their investigation, AUSTREX learned that a buyer from an abattoir outside their supply chain may have purchased the missing cattle but were unable to substantiate this information.

AUSTREX undertook daily monitoring at the implicated feedlot while their remaining cattle were moved off site and on 13 March 2021, no further AUSTREX cattle remained. On 16 March 2021, AUSTREX requested the feedlot be removed from their supply chain. On 24 November 2021, AUSTREX applied to the department to close their Vietnam supply chain.

Department actions

Given the timely and appropriate corrective actions taken by AUSTREX in response to these incidents, the department did not take any regulatory action.

There has been no further non-compliance with ESCAS requirements identified at this facility since this time up to and including the date of publication of this report.

Department conclusions

Based on evidence and information provided by AUSTREX, the department determined that loss of control has occurred for 48 cattle to 3 locations not approved in their supply chain, with evidence provided that outcomes for animal welfare were met. The department also determined that loss of control and traceability has occurred for 52 cattle to unknown location/s with no evidence that animal welfare outcomes were met.

The department accepted AUSTREX's prompt responses to the incidents. In assessing this matter against the [Guideline for the Management of Non-compliance](#), the department recorded *critical* non-compliance with ESCAS control and traceability requirements against the AUSTREX Vietnam supply chain.

4 ESCAS issues identified and addressed by exporters

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

Table 5 ESCAS issues identified and addressed by exporters – 1 July 2021 to 30 June 2022

#	Market	Species
1	Indonesia	Cattle
2	Indonesia	Cattle
3	Oman	Sheep

5 Summary of assessments in progress as at 30 June 2022

Table 6 provides an overview of all regulatory performance assessments in progress as at 30 June 2022. The status of all reviews can be found at [ESCAS Investigations](#).

Table 6 Summary of ESCAS investigations in progress as at 30 June 2022

#	Date reported	Type	Market	Species	Report
186	Jun 2021	Third party report	Indonesia	Cattle	Animal welfare concerns