



**Australian Government**

**Department of Agriculture  
and Water Resources**

# **Exporter Supply Chain Assurance System Regulatory Performance Report**

**1 December 2018 to 28 February 2019**

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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 feeder and slaughter livestock<sup>1</sup> from arrival through to point of slaughter<sup>2</sup>. 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 and Water Resources 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 cancelling 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.

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<sup>1</sup> 'Livestock' refers to cattle, sheep, goats, deer, buffalo and camelids.

<sup>2</sup> As ESCAS only applies to feeder and slaughter livestock, the statistics in the report refer only to feeder and slaughter exports.

## 2 PERIOD SUMMARY: 1 DECEMBER 2018 – 28 FEBRUARY 2019

Below is a summary of the number of livestock exported, number of reports received, and number of assessments completed during this period (1 December 2018 – 28 February 2019).

### 2.1 Livestock exported

During this period, 636 673 livestock were exported under ESCAS arrangements. Fourteen countries imported these livestock. The number of species exported to each country is presented in Table 1.

*Table 1 Summary of livestock exported - 1 December 2018 to 28 February 2019*

Country	Buffalo	Cattle	Goats	Sheep	Total
China		9 576			9 576
Indonesia	775	124 945			125 720
Israel		22 921		34 369	57 290
Japan		2 760			2 760
Jordan				21 050	21 050
Kuwait		360		137 738	138 098
Malaysia	420	3 131	3 826	4 415	11 792
Philippines		1 563			1 563
Qatar		727		174 699	175 426
Russia		13 396		2 650	16 346
Sarawak		359			359
Thailand		920			920
United Arab Emirates		128		24 955	25 083
Vietnam	352	50 338			50 690
<b>Total</b>	<b>1 547</b>	<b>231 424</b>	<b>3 826</b>	<b>399 876</b>	<b>636 673</b>

### 2.2 Reports received and completed

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

*Table 2 Summary of reports received and completed - 1 December 2018 to 28 February 2019*

Report type	Outstanding reports as at 30 November 2018	Reports <i>received</i> in current period	Assessments <i>completed</i> in current period	Assessments remaining in progress as at 28 February 2019 <sup>3</sup>
Reports requiring investigation	6	0	2	4
Self-reports requiring no further action <sup>4</sup>	0	3	3	0
<b>Total</b>	<b>6</b>	<b>3</b>	<b>5</b>	<b>4</b>

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<sup>3</sup> A summary of assessments in progress is provided in Section 6 of this report.

<sup>4</sup> These reports were received within the required time frame, appropriate corrective action was implemented by the exporter and no regulatory action was taken by the department. A summary of these reports is provided in Section 5 of this report.

### 3 SUMMARY OF ESCAS NON-COMPLIANCE ASSESSMENTS

#### 3.1 Overview of findings

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

*Table 3 ESCAS regulatory performance assessments completed - 1 December 2018 to 28 February 2019*

#	Date reported	Type	Market	Species	Australian Animals involved	Exporter	Summary of issues	Non-compliance finding
160	August 2018	Animals Australia	Jordan	Sheep	16	Livestock Shipping Services Pty Ltd	Loss of control and traceability, animal welfare concerns	Major
161	August 2018	Animals Australia	Malaysia	Sheep and Goats	10	Capricorn Pastoral	Loss of control and traceability, animal welfare concerns	Critical

### **3.2 Actions taken in response to ESCAS non-compliance reports**

A range of regulatory, corrective and preventative actions were taken in response to confirmed non-compliance during the reporting period.

Regulatory actions applied by the department this period included:

- Suspending exporters supply chains
- Suspending and removing importers and facilities from approved supply chains
- Conducting additional departmental control and traceability audits
- Applying additional monitoring, oversight and reporting conditions
- Requiring the development and implementation of revised Supply Chain Management Plans
- Requiring ongoing corrective procedures to prevent reoccurrence of non-compliance

Corrective actions implemented by exporters this period included:

- Removing entities and facilities from their supply chains
- Updating contractual arrangements with supply chain partners
- Providing additional training to supply chain staff
- Placing additional staff at facilities for further oversight
- Scheduling additional independent audits
- Ceasing supply of livestock to importers, abattoirs and feedlots until issues were rectified
- Increasing the frequency of data checks to improve monitoring of traceability
- Reinforcing ESCAS control and traceability requirements with entities and facilities

## **4 ESCAS REGULATORY PERFORMANCE ASSESSMENTS**

### **4.1 JORDAN**

#### **Background**

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

As at 28 February 2019, a total of 1 consignment of livestock has been exported by sea under ESCAS arrangements to Jordan in 2019, including 21 050 sheep. Jordan is the fourth largest market for sheep in 2019.

There is currently one Australian exporter with approved supply chains to export livestock to Jordan.

The department has previously published assessments of eight reports relating to non-compliance in Jordan. From these reports, six findings of non-compliance have been recorded against exporter supply chains or facilities. The assessments can be found at [Regulatory Compliance Investigations](#).

As at 28 February 2019, no further reports of non-compliance are under assessment for Jordan.

#### **Report #160: Sheep exported to Jordan – Major non-compliance**

##### **Incident Report**

On 23 August 2018, Animals Australia notified the Department of Agriculture and Water Resources of an alleged non-compliance with Exporter Supply Chain Assurance System (ESCAS) animal welfare, control and traceability requirements in Jordan during Eid al Adha (celebrated between 20 and 24 August 2018). A formal report was provided to the department on 29 August 2018.

The Animals Australia report alleges non-compliance at one livestock market on 21 August 2018 as follows:

- Dozens of Australian sheep for sale and on-site slaughter in the selling pens.
- Several other Australian sheep scattered across various other selling pens at the livestock market. The Australian sheep had their ear tags removed and some had their ear tags replaced with Romanian ear tags.
- An Australian sheep being bought, trussed and placed in the back of a vehicle.

Animals Australia provided video evidence of the allegations in the livestock market listed above.

##### **Department Assessment**

The department reviewed supply chain records and determined that one exporter - Livestock Shipping Services Pty Ltd (LSS) - had an approved supply chain for sheep in Jordan at the time of the report. The department notified LSS of the Animals Australia report.

The department compared the Global Positioning System (GPS) coordinates provided by Animals Australia against LSS supply chain records. The department identified that the livestock market in the Animals Australia report was not approved in the LSS supply chain.

On 4 September 2018, the department requested Animals Australia provide the original video footage on a Universal Serial Bus (USB) to allow the department to run forensics to establish time, date, place and enhance the footage to identify more ear tags. The USB was received on 15 September 2018.

The video evidence provided showed five sheep not being handled in accordance with the OIE (Office International des Epizooties) animal welfare standards and one animal being restrained in a non-compliant manner with legs tied up with a rope. The restrained sheep appeared to have a tag and ear notches consistent with it being Australian. Four of the sheep in another selling pen appeared to be Australian as they had similar physical characteristics of breeds exported from Australia (Merino), evidence of mulesing, and ear notching consistent with that used in Australia.

Another part of the footage showed non-compliant restraint being observed in relation to another animal (with characteristics of Australian sheep as above) being tied up with rope and the same animal was seen being loaded into the back of a private vehicle and leaving the market.

None of the ear tags shown in the video footage were clear enough for the department to determine if they were Australian, however they did appear to be consistent with type of tags used in Australia. Review of the sheep in the video footage did not demonstrate the removal of ear tags reported by Animals Australia, however the department required LSS to investigate this claim.

The video evidence showed slaughter being conducted in the selling pens with six sheep either being or having been slaughtered. The slaughter shown was not consistent with ESCAS animal welfare requirements. All the sheep shown in the footage had ear tags, however the quality of the video footage was not clear enough to determine if they were Australian. The department required LSS to investigate this claim.

### **Exporter actions**

On 13 September 2018, LSS provided a response addressing the complaint. LSS found the supporting evidence provided was not sufficient to determine whether the sheep were of Australian origin. LSS could not determine if any tags had been removed, and determined that many of the sheep were not of Australian origin due to having different identifying traits such as having un-mulsed tails and different types of coat. LSS also reported that their Supply Chain Manager (SCM) visited the market prior to and during Eid Al Adha and did not identify any sheep of Australian origin.

The department provided the additional footage received from Animals Australia to LSS on 5 December 2018 and requested a report be provided to the department in response.

On 24 December 2018, LSS provided their final investigation - after the additional footage was provided - and confirmed there had been loss of control and traceability in their Jordan supply chain.

After LSS received the additional footage, LSS sent their Jordan SCM to investigate further at the livestock market. During the initial visit by the SCM, the trader at the livestock market denied any selling and slaughter of Australian sheep, however upon being shown the additional footage he admitted purchasing 16 head from another unapproved livestock dealer.

The SCM visited the livestock dealer who admitted to buying Romanian sheep from the approved facility within LSS' supply chain but when they were loaded some Australian sheep were included by



mistake due to temporary staff supervising. The dealer admitted that he identified the mistake but kept them and sold them to the trader in the livestock market.

LSS' investigation at the approved facility found no loss of traceability in the documentation, however after the SCM questioned the temporary staff member, he admitted to the mistake and manipulation of the records.

LSS confirmed the loss of control within their supply chain but could not determine an accurate number due to the informal transactions that had occurred. LSS notified the department that they believe all the sheep obtained by the dealer - approximately 16 head - were all on-sold to the livestock market.

Due to their findings, LSS notified the department that they had cancelled their ESCAS agreement with the approved farm/abattoir and that it had been immediately and permanently removed from their supply chain. LSS and their importer also implemented additional corrective actions, including requiring all facilities to provide a list of all staff (including all temporary staff) to LSS' Jordan SCM prior to Eid-al-Adha so they can ensure all are adequately trained to adhere to ESCAS requirements. Additionally, the Jordan SCM will visit all the main livestock markets during each day of Eid-al-Adha to identify if any non-compliant movement had occurred the previous night.

#### **Department actions and conclusions**

The department reviewed the information provided by Animals Australia and LSS. The department determined that the corrective actions implemented by LSS were sufficient to address the non-compliance in their Jordan supply chain. In addition to the corrective actions implemented by LSS, the department also required that their Supply Chain Management Plan be updated to include that their importer ensures that only permanent staff have roles and responsibilities for animal movement and traceability requirements.

In assessing this matter against the [\*Guidelines for the management of non-compliance\*](#), a *major* non-compliance with ESCAS control, traceability and animal welfare requirements was recorded against the LSS Jordan sheep supply chain.

This incident will be taken into account when considering any applications for the feedlot to be reapproved.

## **4.2 MALAYSIA**

### **Background**

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

As at 28 February 2019, a total of 8 consignments of livestock have been exported by sea and air under ESCAS arrangements to Malaysia in 2019, including 420 buffalo, 1 986 cattle, 2 483 goats and 3 498 sheep. Malaysia is the second largest market for buffalo, sixth largest market for cattle and sheep, and the largest market for goats in 2019.

There are currently ten Australian exporters with approved supply chains to export livestock to Malaysia.

The department has previously published assessments of 17 reports relating to non-compliance in Malaysia. From these reports, 17 findings of non-compliance have been recorded against exporter supply chains or facilities. The assessments can be found at [Regulatory Compliance Investigations](#).

As at 28 February 2019, no further reports of non-compliance are under assessment for Malaysia.

### **Report #161: Sheep and goats exported to Malaysia – Critical non-compliance**

#### **Incident Report**

On 29 August 2018, the Department of Agriculture and Water Resources received notification from Animals Australia of non-compliance in Malaysia during Korban (22 August 2018). Animals Australia submitted their formal report on 30 August 2018.

Animals Australia reported:

- loss of control and traceability with Australian sheep and goats observed in non-ESCAS (unapproved) facilities
- non-compliant handling and slaughter of Australian sheep and goats
- on-selling of Australian sheep from unapproved facilities to private buyers and transport in a private vehicle

Animals Australia provided video footage taken at four facilities on 21 and 22 August 2018 (two of which they believed to be ESCAS approved). The video footage was provided through a private link to a third party video-sharing website. Animals Australia also provided details of 28 ear tags which were able to be identified in the video footage.

#### **Department assessment**

On 4 September 2018 the department requested Animals Australia provide the original video footage on a Universal Serial Bus (USB) to allow the department to run forensics to verify the allegations. An additional 27 minutes 58 seconds of footage was provided on the USB. From the additional footage provided, the department was able to identify additional Australian animals and ear tags beyond those originally reported by Animals Australia.

## Video footage

The video footage was taken on 21 and 22 August 2018 at four facilities. None of the facilities identified in the video footage are ESCAS approved. The footage showed around 160 sheep and goats in unapproved facilities, however many of the animals cannot be definitively identified as being of Australian origin. Two of the facilities shown in the video were also included in the Animals Australia report to the department from Korban 2017. Table 1 summarises the findings from the video footage provided by Animals Australia in 2018. The facilities which were identified in the 2017 report are marked with an asterisk.

Table 1 – Department assessment of Animals Australia video footage.

Facility Reference Number:	Number of animals:	Video assessment:	ESCAS non-compliance findings:
<b>Facility 1</b>	2 sheep	<ul style="list-style-type: none"> <li>• Two male sheep observed tied by the legs with rope. Both sheep are lifted by the wool and legs into the boot of a car.</li> <li>• No tail docking/mulesing observed, the tails on both sheep are long.</li> <li>• The wool can be seen shedding on both sheep's stomach/lower neck area.</li> <li>• One NLIS tag and ear notching is visible on both sheep.</li> <li>• Video footage taken 'on road near the facility' showed the same two sheep being reloaded into the same car, now in feed bags.</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of control with sheep outside of approved supply chains.</li> <li>• Non-compliant handling and restraint methods.</li> </ul>
<b>Facility 2*</b>	4 sheep 2 goats	<ul style="list-style-type: none"> <li>• One male sheep observed with wool starting to shed on its stomach. The sheep shows evidence of mulesing. Blue paint can be seen on its head. A rope is around its body and neck, one man pulls on the rope to try to move the sheep.</li> <li>• The sheep is dragged upside down by the legs by two men (one holding its front legs, one holding its back legs).</li> <li>• Slaughter occurs on the floor with multiple strokes of a knife.</li> <li>• Three other sheep and one goat (previously slaughtered) can be seen on the floor.</li> <li>• All sheep are mulesed/tail docked.</li> <li>• One goat is slaughtered on a table with multiple strokes of the knife. The head is held in extension and its</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of control with sheep and goats outside of approved supply chains.</li> <li>• Non-compliant handling and restraint methods.</li> <li>• Non-compliant slaughter methods.</li> </ul>

Facility Reference Number:	Number of animals:	Video assessment:	ESCAS non-compliance findings:
		legs are held by two men. No consciousness checks observed.	
<b>Facility 3*</b>	Around 100 sheep and goats	<ul style="list-style-type: none"> <li>• Sheep standing outside being held by the wool. The wool is long.</li> <li>• One man kneels on the flank of a recently slaughtered sheep (slaughter of this sheep was not shown) and holds the head back, another man stands on the sheep's hooves. The slaughter man is observed touching the wound with his fingers. No reflexes can be seen on the sheep.</li> <li>• Roughly 30 sheep and goats can be observed in a pen. Around 60 sheep and goats can be observed in the adjacent pen.</li> <li>• Ear notching visible.</li> <li>• 'Sawing' motion used for slaughter of two goats. The knife appears very blunt. Handler can be seen holding the goats' head in extension, but also interferes with the wounds.</li> <li>• Sheep and goats are marked with multiple different coloured paint.</li> </ul>	<ul style="list-style-type: none"> <li>• Non-compliant slaughter methods.</li> <li>• Loss of control with sheep outside of approved supply chains.</li> <li>• Non-compliant handling and restraint.</li> </ul>
<b>Facility 4</b>	Around 60 goats	<ul style="list-style-type: none"> <li>• Around 60 goats can be observed in pens.</li> <li>• No ear notching or NLIS tags are visible.</li> <li>• A very small amount of pellets can be seen in the feed troughs, however plenty of water is visible.</li> </ul>	<ul style="list-style-type: none"> <li>• No non-compliance identified as the animals in the footage do not show characteristics unique to Australian livestock.</li> </ul>

### Physical Characteristics

The department determined around 10 of the animals shown in the video footage were likely to have been exported from Australia due to the physical characteristics of breeds exported from Australia (Merino, Dorper, Boer, Anglo Nubian etc.), evidence of mulesing/tail docking, and ear notching consistent with that used in Australian livestock.

The department also determined that many of the animals shown in the footage were not likely to have been exported from Australia due to their breed, long tails, no visible ear notching, and not having Australian or National Livestock Identification System (NLIS) ear tags.

## **Ear tags**

### Tags reported by Animals Australia:

Animals Australia provided a list of 28 ear tags (some partial tag numbers and some duplicates) observed on the sheep and goats in the video footage.

One tag had a visible NLIS number which was able to be traced back to the property of origin. The name of the property is able to be identified on four non-NLIS tags (all duplicates of the same tag). These were able to be traced back to the property of origin.

Ten non-NLIS tags were identified in the video, which are consistent with those used on properties in Australia. The tags are used to differentiate animals (e.g. sex or age) and have no unique identifiers to enable them to be linked to an exporter or source property. Several non-NLIS tags were not able to be read due to excessive dirt on the tag or poor video quality.

The remaining tags were likely to not be Australian (e.g. breeding tags used by the Malaysian government), and as such could not be used to trace the animals' property of origin.

### Additional tags identified in the footage which were not reported by Animals Australia:

Three additional non-NLIS tags were identified in the video footage which were not reported by Animals Australia. These tags were not able to be linked to an exporter.

### Tags identified in additional (USB) footage:

On review of the additional footage provided, two non-NLIS property tags were identified and linked to source properties of sheep exported by Capricorn Pastoral (Capricorn) in June 2018.

## **Exporter supply chains**

Six sheep and/or goat supply chains were approved in Malaysia at the time of Korban 2018.

Prior to Korban 2018, the department required exporters to advise how many animals they expected to have remaining in their Malaysia supply chains for Korban noting no exports occurred between 7 July and 25 August 2018 (see [Export Advisory Notice 2018-04](#)). Exporters expecting to have animals in market were required to develop a Korban Management Plan detailing additional actions they would implement to mitigate the increased risk of non-compliance associated with the festival period. The department assessed these plans prior to approving consignments in the months prior to Korban.

## **Exporter investigations**

All sheep and goat exporters to Malaysia were provided with the information from Animals Australia to conduct their own internal investigations.

Two exporters reported that they had sheep in market for Korban. Four exporters reported that they did not have sheep in market during Korban and provided reconciliation data to support this.

The two exporters who reported that they had sheep in market had representatives in Malaysia during Korban who did not identify loss of control in their respective supply chains. One of the exporters suggested that most animals shown in the videos are local and/or Thai origin, however some of the Merino and Dorper sheep look to be Australian.

One exporter who reported they did not have animals in Malaysia during Korban – Capricorn – conducted an internal investigation into their supply chain and concluded that the animals observed in the video footage were not exported by them for the following reasons:

- Capricorn's Animal Welfare Officer (AWO) spoke to the owner of one of the facilities identified by Animals Australia (Facility 3). The owner reported that they had purchased their animals from two semi-government facilities who breed livestock, some of which are dorpers.
- Capricorn provided translated copies of Statutory Declarations from four of the facility owners in their supply chain stating that they did not leak any sheep from their supply chains.
- Capricorn advised that some of the tags identified in the video footage are breeding tags which are issued by the Malaysian government.
- Capricorn reported that the sweat stains on the livestock are consistent with animals that have lived in a tropical climate for a period of time.
- Capricorn export slaughter livestock with an average weight of 30 kilograms, whereas Capricorn assessed the sheep and goats as being 45 to 50 kilograms.
- Red paint can be observed on some of the animals in the footage. Capricorn advised that none of their sheep exported in a consignment departing 5 July 2018 were paint marked.

Current industry standards state all sheep and goats should be paint marked at the quarantine depot prior to export to enable identification of the supply chain. Capricorn stated that they did not paint mark their animals and therefore the paint-marked animals shown in the video footage could not be theirs. It is not a requirement under ESCAS that exporters adhere to the industry standards.

Following review of the additional footage provided by Animals Australia, the department linked four ear tags (identified at two of the facilities reported by Animals Australia) to consignments exported by Capricorn, and as such, the department required Capricorn to further investigate their supply chain.

Capricorn stated they had exported breeder animals from properties that could be linked to tags in the footage, however did not provide further evidence that the animals in the footage with the correlating tags were exported for breeding purposes. Departmental records show Capricorn have not exported breeder sheep since 2013.

Following multiple requests to respond to the additional footage, Capricorn reiterated their initial report stating that the livestock tags observed in the footage are not NLIS tags as per requirements for National Vendor Declarations (NVD), and several tags cannot be linked to Capricorn consignments. However on 25 February 2019, Capricorn provided NVDs showing that they had exported animals from the four source properties identified by the ear tags in the footage provided by Animals Australia.

## **Audits**

The department audited the control and traceability systems in Capricorn's supply chain on 27 September 2018 and did not identify any discrepancies in the reconciliations.

As at 6 March 2019, Capricorn has not provided [Independent Performance Audit Reports \(IPARs\)](#) for facilities approved in their supply chain for the December 2018 reporting period (required to be provided by 14 January 2019).

The department reviewed Capricorn's IPARs from previous reporting periods; no noncompliance was identified during the audits and the auditors sighted that the records showed no evidence of animals leaving the supply chain.

## **Exporter actions**

Upon commencement of their investigation, Capricorn removed four approved facilities from their supply chain which they believe could have potentially been the source of the livestock in the video footage.

No corrective actions were implemented by any other exporters in response to the information provided by Animals Australia as all could demonstrate that the animals observed in the footage were not exported by them.

## **Department actions**

The department has taken the following actions:

- Due to the high risk of non-compliance during Korban, the lack of response from exporters in regard to ESCAS breaches in 2017, and the evident lack of effectiveness of exporter's control and traceability systems, the department did not approve any exports of sheep and goats in the six weeks prior to Korban 2018. The department is considering its regulatory approach for exports for feeder and slaughter sheep and goats to Malaysia in the lead up to Korban 2019.
- Prior to Korban 2018, the department required increased exporter in-market oversight, presence and verification processes of supply chain control and traceability systems as part of their Supply Chain Management Plans (SCMPs).

As the facilities shown in the Animals Australia video were all unapproved, no action was taken against the facilities. The department cannot definitively identify the ESCAS approved facilities that the Australian animals observed in the footage came from and therefore did not suspend any approved facilities.

The department will undertake ESCAS audits prior to Korban 2019 and ongoing audits of exporter compliance with their SCMPs.

## **Department conclusions**

Based on the department's assessment, approximately 10 Australian sheep and goats were observed in the video footage and photographs provided by Animals Australia. Several instances of non-

compliance with ESCAS handling, transport, restraint, and slaughter requirements were documented in the information provided by Animals Australia.

Four ear tags were linked to consignments of slaughter sheep and goats exported by Capricorn.

In assessing this matter against the [\*guideline for management of non-compliance\*](#), the department has recorded a critical non-compliance with ESCAS control, traceability and animal welfare requirements against the Capricorn Pastoral supply chain due to:

- Capricorn's failure to comply with ESCAS control and traceability requirements which has led to loss of control, loss of traceability and animal welfare outcomes not being met.
- Animals being observed outside the supply chain despite traceability records showing all animals are accounted for.
- Capricorn not providing the IPAR for the December 2018 reporting period (following multiple requests to provide the overdue reports).

This incident will be taken into account when considering any applications for Notices of Intention to export sheep or goats to Malaysia.



## 5 ESCAS ISSUES IDENTIFIED AND ADDRESSED BY EXPORTERS

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

*Table 4 ESCAS Issues Identified and addressed by exporters - 1 December 2018 to 28 February 2019*

#	Market	Species
1	Qatar	Sheep
2	Vietnam	Cattle
3	Israel	Cattle

## 6 SUMMARY OF ASSESSMENTS IN PROGRESS AS AT 28 FEBRUARY 2019

Table 5 provides an overview of all regulatory performance assessments in progress as at 28 February 2019. The status of all reviews can be found at [Regulatory Compliance Investigations](#).

*Table 5 Summary of ESCAS regulatory performance assessments in progress as at 28 February 2019*

#	Date reported	Type	Market	Species	Report
144	October 2017	Animals Australia	Israel	Sheep	Animal welfare concerns
155	May 2018	Departmental Audit	Vietnam	Cattle	Loss of control and traceability, unknown animal welfare outcomes
162	August 2018	Animals Australia	Israel	Cattle	Loss of control and traceability, animal welfare concerns
163	November 2018	Self-Report	Vietnam	Cattle and buffalo	Loss of control and traceability, unknown animal welfare outcomes