



Australian Government

Department of Agriculture

Exporter Supply Chain Assurance System Regulatory Performance Report

1 June to 31 August 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 livestock¹ 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 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.

¹ 'Livestock' refers to cattle, sheep, goats, deer, buffalo and camelids.

2 PERIOD SUMMARY: 1 JUNE TO 31 AUGUST 2019

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 June to 31 August 2019).

2.1 Livestock exported

During this period, 315,688 livestock were exported under ESCAS arrangements. Ten countries imported these livestock. The number of species exported to each country is presented in Table 1.

Table 1 Summary of livestock exported - 1 June to 31 August 2019

Country	Buffalo	Cattle	Goats	Sheep	Total
Brunei Darussalam	508	1504			2012
China		4115			4115
Indonesia	1464	201096			202560
Israel		5173			5173
Japan		2970			2970
Malaysia	187	4670	267	5620	10744
Philippines		8485			8485
Singapore				3924	3924
Thailand		1669			1669
Vietnam	1198	72838			74036
Total	3357	302520	267	9544	315688

2.2 Reports received and completed

During this period, the department received a total of 8 reports of non-compliance with ESCAS requirements. These reports involved supply chains in Indonesia, Israel, Kuwait, Malaysia and Philippines. A summary of reports received and completed is presented in Table 2.

Table 2 Summary of reports received and completed - 1 June to 31 August 2019

Report type	Outstanding reports as at 31 May 2019	Reports <i>received</i> in current period	Assessments <i>completed</i> in current period	Assessments remaining in progress as at 31 August 2019 ²
ESCAS	1	7	6	2
Self-reports ³	0	1	1	0
Total	1	8	7	2

² A summary of assessments in progress is provided in Section 6 of this report.

³ 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 June to 31 August 2019

#	Date reported	Type	Market	Species	Australian Animals involved	Exporter	Summary of issues	Non-compliance finding
166	Apr 2019	Independent Observer	Israel	Sheep	5	Livestock Shipping Services Pty Ltd	Animal welfare concerns	Minor
167	Jun 2019	RSPCA	Israel	Cattle	3	Livestock Shipping Services Pty Ltd	Animal welfare concerns	Major
168	Jun 2019	Independent Observer	Kuwait	Sheep	4	Rural Export & Trading (WA)	Animal welfare concerns	Minor
170	Aug 2019	Animals Australia	Kuwait	Sheep	4	Livestock Shipping Services Pty Ltd	Animal welfare concerns	Minor
171	Aug 2019	Animals Australia	Malaysia	Sheep	3	Unable to be determined	Loss of control	No non-compliance
173	Aug 2019	Independent Observer	Philippines	Cattle	1	South East Asian Livestock Services Pty Ltd	Animal welfare concerns	Minor

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 in this period included:

- Applying additional monitoring, oversight and reporting conditions
- Applying additional discharge conditions to exporters' supply chains

Corrective actions implemented by exporters in this period included:

- Providing additional training to supply chain staff
- Updating work instructions for staff
- Updating infrastructure at facilities to improve animal handling
- Introduction of a sanctions policy for non-compliance
- Providing ESCAS-compliant animal handling tools for use during discharge
- Competency testing and on-the-spot training during discharge
- Providing additional reporting sheets to record feedlot treatments and mortalities

4 ESCAS REGULATORY PERFORMANCE ASSESSMENTS

4.1 ISRAEL

Background

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

As at 31 August 2019, a total of 7 consignments of livestock have been exported by sea under ESCAS arrangements to Israel in 2019, including 44,634 cattle and 43,719 sheep. Israel is the third largest market for cattle and fifth largest market for sheep in 2019.

As at 31 August 2019, there are 4 Australian exporters with approved supply chains to export livestock to Israel.

The department has previously published assessments of 18 reports relating to non-compliance in Israel. The assessments can be found at [Regulatory Compliance Investigations](#).

As at 31 August 2019, no further reports of non-compliance are under assessment for Israel.

Report #166: Sheep exported to Israel – Minor non-compliance

Incident Report

On 15 April 2019, the Department of Agriculture received notification from an Independent Observer (IO) regarding observations made during discharge of a vessel in Israel.

The IO reported non-compliant handling of sheep was observed during discharge of a sheep consignment exported to Israel by Livestock Shipping Services Pty Ltd (LSS). The IO reported that during discharge, workers for the Israeli importer were observed on a number of occasions using rough techniques to move sheep when they stopped on the ramp. This included picking sheep up by the ears and pulling sheep by the legs. On one occasion a worker was seen initially kneeling on the backs of sheep before standing up and attempting to move them with his feet while hanging from an overhead frame. The IO provided video footage of the incident to the department.

Department assessment and actions

The department assessed the report and video footage provided by the IO. The department determined there was non-compliant handling during discharge of the consignment. The available footage showed one port worker initially kneeling on the backs of sheep before standing up and attempting to move them with his feet while hanging from an overhead frame.

The Australian Government Accredited Veterinarian (AAV) noted in their end of voyage report, as required by per [Export Advisory Notice 2017-11](#), one handling issue during discharge. LSS did not report this issue to the department.

On 30 May 2019, the department provided the footage to LSS to review. The department required LSS to undertake an internal investigation into the incident and provide a report including details of any corrective actions taken.

Exporter actions

On 8 June 2019, LSS provided their investigation report to the department. LSS stated that based on the length of the footage, it was unclear as to the context of the situation however it appeared the sheep had stopped moving onto trucks and were disrupting discharge. LSS suggested that situations like these can escalate quite quickly resulting in animals suffocating. Further, as discharge progresses and staff tire, frustration and anxiety to quickly resolve an issue may result in inappropriate animal handling.

LSS reported that the port worker involved in the incident was a truck driver and not a direct employee of the Israeli importer. The Israeli importer advised that they would not allow the truck driver to be involved in unloading animals for future voyages. The importer requested the transport company address the issue with the truck driver.

To address the non-compliance, LSS implemented the following actions:

- The transport companies will warn drivers of the penalties for mistreatment of animals (including verification of actions taken against driver involved in the footage).
- The importer will provide training in ESCAS standards to all staff involved in discharge.
- The AAV will conduct a pre-discharge briefing including emphasis on ESCAS compliant animal handling practices.
- On-shore supervisors will assess discharge progress, monitoring for staff fatigue, anxiety and frustration issues being caused by length of discharge, trucking disruption, counting disputes and any other factors with the view to minimise these issues.
- Introduction of a sanction policy for workers that use non-compliant animal handling.
- Requirement for the AAV to be notified immediately if there is any issue that impedes the steady flow of discharge. The AAV has the option to cease the discharge until the issue is resolved.

The department required an independent auditor to be present at the discharge of their next consignment in Israel to verify whether the corrective actions had been implemented. LSS provided the outcomes of the discharge audit to the department on 1 July 2019. The audit report stated the auditor assessed and verified:

- The driver involved had been suspended.
- The exporter and Control Union Israel provided training at the time of discharge at the Eilat port according to ESCAS requirements.
- The sanction policy had been introduced for workers that use non-compliant handling. If this was observed the worker would be dismissed.

The overall outcome of the discharge audit was that no issues or non-compliances were identified.

LSS have confirmed they have advised all staff of the reporting obligations as per EAN 2017-11. LSS have also included an additional item in their Israel consignment checklist to guarantee that issues identified in the EOv report are reported to the department and ensure their discharge reporting obligations are met.

Department conclusions

The department determined that non-compliance with ESCAS animal welfare requirements had occurred during discharge of the consignment of sheep in Israel.

LSS took action to investigate and apply corrective action in response to the non-compliance which were verified by an independent auditor. The department accepted the corrective actions implemented by LSS and determined they were adequate to address the non-compliance.

As LSS did not report the non-compliance to the department as required, the department placed an additional conditions on LSS' Israel sheep supply chain, requiring an independent auditor and exporter representative to be present during discharge to verify LSS' corrective actions for an additional consignment. No further regulatory action was taken.

In assessing this matter against the [guidelines for management of non-compliance](#), a *minor* non-compliance with ESCAS animal welfare requirements has been recorded against the LSS Israel sheep supply chain.

Report #167: Cattle exported to Israel – Major non-compliance

Incident Report

On 18 June 2019, the Department of Agriculture received notification from RSPCA Australia (RSPCA) regarding an alleged non-compliance with Exporter Supply Chain Assurance System (ESCAS) animal welfare requirements during discharge of cattle from a vessel in Israel.

The RSPCA report alleged that there were clear breaches of ESCAS standards relating to excessive use of the electric prodders, stockmen standing on the backs of cattle and tail twisting.

RSPCA provided video evidence of the allegations as well as still images depicting “several dead and diseased” cattle in quarantine facilities in Israel.

Department assessment and actions

The department reviewed consignment records and determined the exporter – Livestock Shipping Services Pty Ltd (LSS) – was involved. The department notified LSS of the RSPCA report.

The department assessed the report and video footage provided by RSPCA. The department determined there was non-compliant handling during discharge of the consignment. The footage consists of three videos, their details and the department assessment are outlined below:

Video number	Video length (minutes)	Details and Department Assessment
1	1:14	<ul style="list-style-type: none">• Cattle had stopped moving on the discharge ramp.• The stockman attempts to move the animal by lifting it by the tail whilst a stevedore uses the electric prodder on the animal.• The stockman then climbs on top of the race above the animal and proceeds to use the electric prodder on the animal, which then moves down the ramp.

Video number	Video length (minutes)	Details and Department Assessment
		Department assessment: Breach of ESCAS standard two as one animal is being lifted by their tail however no twisting occurred.
2	1:13	<ul style="list-style-type: none"> • Cattle had stopped moving on the discharge ramp. • The stockman attempts to move the animal using the electric prodder from the side of the ramp. • The stockman then climbs on top of the race above the animal and proceeds to use the electric prodder on the animal, which appears to not be responsive. • The stockman then proceeds to stand on the back of the animal, pushing downwards with his feet. • The stockman uses the electric prodder on the animal and it proceeds down the discharge ramp, allowing free flow of animals again. <p>Department assessment: Breach of ESCAS standard two as there appeared to be repeated use of the electric prodder more than twice on the same animal during one handling event.</p>
3	0:20	<ul style="list-style-type: none"> • Cattle had stopped moving on the discharge ramp. • The stockman attempts to move the animal using the electric prodder from the side of the ramp, and appears to hold the prodder on one animal for three to four seconds. <p>Department assessment: Breach of ESCAS standard two as the electric prodder appeared to not be administered as a short application and held on the animal.</p>

Throughout all the footage there appears to be several on-shore staff at the end of the ramp in the animals' line of sight, which could have contributed to the reluctance of the cattle to move down the ramp causing the blockages.

The department reviewed the End of Voyage report (EOV) and the Australian Government Accredited Veterinarian (AAV) had outlined they discussed animal handling, animal welfare issues and contingency plans for any animal welfare incidents with the on-shore discharge staff. There were additional comments about both sheep and cattle welfare incidents during discharge.

In regard to the cattle discharge the AAV noted that some blockages of cattle occurred on the lower end of the discharge ramp. The on-shore staff had asked the stockman to assist on these occasions and he did so with the use of the electric prodder and lifting the cattle by the tail where he deemed necessary. The stockman reported that all cattle involved in the blockage discharged well.

The still images showed several dead cattle lined up outside the pens at a quarantine facility.

On 24 June 2019, the department provided the footage and still images to LSS to review. The department required LSS to undertake an internal investigation into the incident and provide a report including details of any corrective actions taken.

Exporter actions

On 5 July 2019, LSS provided their full investigation report to the department. LSS outlined in their report they interviewed all staff involved and a summary of their findings are as follows:

- **Personnel:**
 - Both the AAV and stockman are very experienced both completing numerous voyages.
- **Procedures:**
 - Prior to discharge of livestock from the vessel, a Standard Operating Procedure (SOP) meeting was conducted with key stockpersons, crew and also included port stevedore staff. This meeting occurs for all Israel consignments.
 - The discharge plan was also discussed and an independent auditor was present during this meeting.
- **Discharge responsibilities and context:**
 - LSS also assessed that each video presented situations in which a blockage of cattle has occurred on the discharge ramp.
 - However their view was the footage fails to show the full context in which the situations occurred, a clear picture of animals involved, their behaviour following the intervention of the stockperson and importantly the length of time that had lapsed before the footage started.
 - LSS have a procedure in place for when these situations occur which is called the 'ASS' procedure. In each situation, LSS believe the stockperson has *Assessed* the situation, *Stabilised* the situation and quickly *Solved* the problem utilising methods available to him to prevent any deaths or subsequent worse animal welfare outcome.
- **Alleged excessive use of electric prodders:**
 - LSS indicated that use of the prodder throughout the discharge process can result in better animal welfare outcomes, preventing unnecessary excess handling or poor practices.
 - LSS reported, on their review of the footage that at no time was the prodder held on animals.
 - LSS provided supporting evidence into how the use of the electric prodder can prevent further distress and the possibility of death of any animals involved.
 - LSS noted that the prodder was used during the incidents but was returned to the vessel and not routinely used as per their SOP.
- **Standing on the backs of cattle:**
 - LSS denied there was any clear breach of ESCAS standards as standing on the backs of animals is not referenced.
 - LSS determined that the stockman had resorted to this technique to ensure the best possible animal welfare outcome.
- **Alleged tail twisting:**
 - The stockman denied any tail twisting occurred and both LSS and the AAV viewed the footage and failed to identify actual tail twisting. LSS' analysis was the stockman was holding the tail in order to coax the animal forward.

- Discharge outcomes:
 - Overall LSS fully supported the actions of the stockman to quickly resolve the issues, to avoid worse animal welfare outcomes.

LSS had an independent auditor present during the discharge of this consignment to assess corrective actions implemented from a previous voyage. The audit was conducted at a different time to the incident and as a result the audit did not identify any issues or non-compliances.

LSS provided an initial report on the mortalities at the quarantine facility suspecting bovine respiratory disease and enteritis to be the cause of the mortalities. LSS also advised that the dead cattle shown in the images were an accumulation of quite a number of days as carcass disposal is only permitted by one company and their depot is located 300km from the quarantine facility. Neither the quarantine facility operator nor the importer are permitted to remove the carcasses, therefore facilities must wait until a truck is dispatched and arrives to collect all the carcasses. The department requested a report be provided by LSS from the Israeli veterinary surgeon with the final diagnosis for the mortalities. The report was provided and determined pneumonia/respiratory disease to be the main cause of the mortalities.

LSS have confirmed they have advised all staff of the reporting obligations as per [Export Advisory Notice 2017-11](#). LSS have also included an additional item in their Israel consignment checklist to guarantee that issues identified in the EOVR report are reported to the department and ensure their discharge reporting obligations are met.

Department conclusions

The department determined that non-compliance with ESCAS animal welfare requirements had occurred during discharge of the consignment of feeder cattle in Israel.

LSS took action to investigate and apply corrective action in response to the non-compliance. The department accepted the corrective actions implemented by LSS and determined they were adequate to address the non-compliance. However, the non-compliance was identified in LSS' EOVR report and the department was not notified of the incident.

As LSS did not report the non-compliance to the department as required, the department placed additional conditions on LSS' Israel cattle supply chain, requiring an independent auditor and exporter representative to be present during discharge to verify LSS' corrective actions for an additional consignment. No further regulatory action was taken.

In assessing this matter against the [guidelines for management of non-compliance](#), a *major* non-compliance with ESCAS animal welfare requirements has been recorded against the LSS Israel cattle supply chain.

4.2 KUWAIT

Background

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

As at 31 August 2019, a total of 8 consignments of livestock have been exported by sea under ESCAS arrangements to Kuwait in 2019, including 239,062 sheep and 760 cattle. Kuwait is the largest market for sheep in 2019.

As at 31 August 2019, there are 2 Australian exporters with approved supply chains to export livestock to Kuwait.

The department has previously published assessments of 21 reports relating to non-compliance in Kuwait. The assessments can be found at [Regulatory Compliance Investigations](#).

As at 31 August 2019, one further report of non-compliance is under assessment for Kuwait.

Report #168: Sheep exported to Kuwait – Minor non-compliance

Incident Report

On 18 June 2019, the Department of Agriculture received notification from an Independent Observer (IO) regarding observations made during discharge of a vessel in Kuwait.

During discharge of a sheep consignment exported to Kuwait by Rural Export & Trading (WA) (RETWA), the IO reported 'unacceptable sheep handling was observed after the sheep had left the ship's discharge ramp at Kuwait.' The IO provided video footage of the incident to the department.

Department assessment and actions

The department assessed the report and video footage provided by the IO. The footage showed workers repeatedly hitting sheep with pipes (appearing to be made of plastic) to move them onto the trucks with some sheep slipping on the truck ramps.

On 3 July 2019, the department provided the footage to RETWA for review. The department required RETWA to undertake an internal investigation into the incident and provide a report including details of any corrective actions taken.

Exporter actions

On 15 July 2019, RETWA provided their investigation report to the department. RETWA reported the animal handlers involved in the incident were stevedores employed by the port. RETWA provided the footage to their importer who also investigated the incident.

RETWA advised that prior to discharge, employees of the importer brief the stevedores in correct discharge handling and truck loading procedures. RETWA advised that in this instance, although briefed prior to discharge, the stevedore involved did not follow the correct procedures.

RETWA implemented a number of corrective actions to mitigate the risk of further non-compliances occurring during discharge. These include:

- The importer will continue to perform pre-discharge briefing and training sessions before each discharge and reinforce the Standard Operating Procedures for correct handling.
- Flappers will be available for stevedores to use to move sheep instead of pipes.
- The importer's representative has been instructed to more closely and regularly scrutinise the discharge process and oversee the stevedore to identify and correct any issues noted.
- At the next discharge, RETWA's supply chain consultant will observe and carry out sheep handling competency testing of staff during discharge. On the spot training will be provided to staff as required.

RETWA stated that they believed the incidents of sheep slipping on the truck ramps to be very minor. The importer inspected the trucks and identified that some loading ramps were found to have missing batons on the floor which contributed to the slipping. The importer has repaired the anti-skid surface coating of the ramp floors and replaced the missing and broken floor batons.

Department conclusions

The department determined that non-compliance with ESCAS animal welfare requirements had occurred during discharge of the consignment of sheep in Kuwait.

RETWA took action to investigate the incident and applied corrective action in response to the noncompliance. The department accepted the corrective actions implemented by RETWA and determined they were adequate to address the non-compliance.

The department placed a condition on RETWA's Kuwait sheep supply chain, requiring a discharge audit to be conducted on the next consignment of sheep to be discharged in Kuwait to verify the corrective actions had been implemented. No further regulatory action was taken.

In assessing this matter against the [guidelines for management of non-compliance](#), a minor noncompliance with ESCAS animal welfare requirements has been recorded against the RETWA Kuwait sheep supply chain.

Report #170: Sheep exported to Kuwait – Minor non-compliance

On 5 August 2019, the Department of Agriculture received a report from Animals Australia stating that over 2,500 sheep were observed at a reportedly unapproved facility in Kuwait on 2 August 2019. Animals Australia also reported that 'they were informed by locals that sheep could be privately purchased from this facility'. No animal welfare issues were reported. The report included photographs and video footage taken at the facility. No further evidence was provided to support the claim that animals were on-sold from the facility outside the supply chain.

On 6 August 2019, the department provided the photographs and video footage to the two exporters with sheep in Kuwait. One exporter – Livestock Shipping Services Pty Ltd (LSS) – confirmed that the facility identified in the report is an ESCAS approved feedlot in their supply chain.

While Animals Australia did not report animal welfare concerns, the department reviewed the video footage and identified instances of non-compliance with ESCAS animal welfare standards including:

- two downer sheep left unattended in a walkway
- sheep walking over a downer animal
- a person pulling one sheep by the hind leg

The department required LSS to implement and provide details of corrective actions taken in response to the non-compliances shown in the footage.

LSS had a representative in Kuwait during Eid-al-Adha. The representative reviewed the video footage with the director of LSS' importer and identified that poor lighting contributed to the downer sheep being left unattended. Additional lighting was installed in the working area to improve visibility when sheep are handled during night shifts.

The LSS representative also provided training on ESCAS compliant animal handling to staff at the feedlot. The training emphasised that any sick or injured animals must be taken directly to a hospital pen and either treated or euthanised as appropriate. An additional daily report form was developed to document the movement and treatment of any downer or injured animals.

In assessing this matter against the [guidelines for management of non-compliance](#), a *minor* non-compliance with ESCAS animal welfare requirements has been recorded against the LSS Kuwait sheep supply chain.

4.3 MALAYSIA

Background

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

As at 31 August 2019, a total of 29 consignments of livestock have been exported by sea and air under ESCAS arrangements to Malaysia in 2019, including 23,247 sheep, 13,088 cattle, 4,522 goats and 927 buffalo. Malaysia is the sixth largest market for cattle and third smallest market for sheep in 2019.

As at 31 August 2019, there are 10 Australian exporters with approved supply chains to export livestock to Malaysia.

The department has previously published assessments of 18 reports relating to non-compliance in Malaysia. The assessments can be found at [Regulatory Compliance Investigations](#).

As at 31 August 2019, no further reports of non-compliance are under assessment for Malaysia.

Report #171: Sheep exported to Malaysia – No non-compliance

Incident Report

On 12 August 2019, the Department of Agriculture received notification from Animals Australia regarding an alleged ESCAS breach relating to loss of control of 3 Australian sheep in Malaysia.

Animals Australia reported allegedly Australian sheep tied up in the grounds of a resort in Johor, Malaysia. It was alleged they had been purchased by a Singaporean businessman for private sacrifice during Korban. The sheep were photographed on 10 August 2019 by an Australian woman staying at the resort, who understood that this was not allowed under the ESCAS system.

The two photographs were provided to the department by Animals Australia who undertook to provide further information if and when it became available.

Department Assessment

The department reviewed supply chain records and determined there were seven exporters with approved supply chains in Malaysia. On 23 August 2019, the department notified all seven exporters of the Animals Australia report and requested they conduct their own investigation into the allegation. The department also requested that each exporter provide control and traceability documentation relating to their Malaysian sheep & goat supply chain as well as all reconciliations for the last 12 months

The department assessed the two photographs provided by Animals Australia. The photographs showed three sheep that appeared to be of Australian origin tied to trees, however no tags could be seen. The sheep in the photographs had access to shade and water.

On 22 August 2019, the department invited Animals Australia to provide any additional information to further the investigation, however they advised that the informant had been unable to provide any more details.

Exporter actions

On 23 August 2019, the department requested all exporters assess the information provided by Animals Australia and undertake an internal investigation into their supply chains.

All control and traceability documentation and reconciliations were provided to the department by 19 September 2019 except for one exporter, who has not exported any consignments since December 2018. All these reconciliations were assessed and considered acceptable.

Department actions and conclusions

The department reviewed the information provided by Animals Australia and the exporters. Based on this information the department determined that there was insufficient evidence to investigate further and as a result did not record a non-compliance against any Malaysia sheep supply chains.

In assessing this matter against the [guidelines for management of non-compliance](#), no non-compliance with ESCAS and animal welfare requirements was recorded against any Malaysia sheep supply chains.

4.4 PHILIPPINES

Background

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

As at 31 August 2019, a total of 8 consignments of livestock have been exported by sea under ESCAS arrangements to the Philippines in 2019, including 14,345 cattle. The Philippines is the fourth largest market for cattle in 2019.

As at 31 August 2019, there are 2 Australian exporters with approved supply chains to export livestock to the Philippines.

The department has previously published assessments of 1 report relating to non-compliance in Malaysia. The assessments can be found at [Regulatory Compliance Investigations](#).

As at 31 August 2019, no further reports of non-compliance are under assessment for the Philippines.

Report #173: Cattle exported to Philippines – Minor non-compliance

Incident Report

On 21 August 2019, the Department of Agriculture received notification from an Independent Observer (IO) regarding observations made during discharge of a vessel in the Philippines.

During discharge of a cattle consignment exported to the Philippines by South East Asian Livestock Services Pty Ltd (SEALS), the IO observed staff attempting to raise a downer cow on a truck using the handle of a cattle talker. The IO provided video footage of the incident to the department.

Department Assessment

The department assessed the report and video footage provided by the IO. The footage showed staff repeatedly striking and prodding one downer cow on the head and ears with the handle of a cattle talker.

On 27 August 2019, the department provided the footage to SEALS for review. The department required SEALS to undertake an internal investigation into the incident and provide a report including details of any corrective actions taken.

Exporter actions

On 9 September 2019, SEALS provided their investigation report to the department.

SEALS noted that the footage shows a worker at the port using a cattle talker to try to get an animal to stand in a truck. SEALS reported the person involved in the incident was a truck driver, not a stevedore or member of the vessel's crew. SEALS noted that the worker's use of the cattle talker was not overly-excessive and ceased the actions when it became apparent that it was not effective.

SEALS in-market staff brief stevedores and truck drivers on compliant animal welfare practices and the use of cattle talkers during discharge. SEALS noted that the worker in the footage may not have been adequately briefed on appropriate use of cattle talkers. SEALS reported that workers are advised that cattle need to be standing while being transported so they do not get crushed, and the worker appeared to be trying to get the animal to stand to minimise the risk of being trampled during transport. SEALS reported that while the actions of the worker were not ESCAS compliant, their intention was to provide compliant animal welfare during the journey to the feedlot.

Neither the stockman nor any SEALS staff present at discharge were aware of the issue at the time.

SEALS implemented a number of corrective actions to mitigate the risk of further non-compliances occurring during discharge. These include:

- reinforcing the requirement to ensure all workers are aware of the correct handling of livestock during discharge
- including a requirement in the stockman's voyage instructions that they are responsible for ensuring animal welfare is delivered during discharge and to provide spot training as needed if any issues are identified

Department actions and conclusions

The department determined that non-compliance with ESCAS animal welfare requirements had occurred during discharge of the consignment of cattle in the Philippines.

SEALS took action to investigate the incident and applied corrective action in response to the non-compliance. The department accepted the corrective actions implemented by SEALS and determined they were adequate to address the non-compliance.

In assessing this matter against the [guidelines for management of non-compliance](#), a *minor* non-compliance with ESCAS animal welfare requirements has been recorded against the SEALS Philippines cattle supply chain.

5 ESCAS ISSUES IDENTIFIED AND ADDRESSED BY EXPORTERS

An exporter provided a report to the department regarding the below market. The report complied with the department's ESCAS self-reporting requirements. The report was 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 June to 31 August 2019

#	Market	Species
1	Malaysia	Sheep

6 SUMMARY OF ASSESSMENTS IN PROGRESS AS AT 31 AUGUST 2019

Table 5 provides an overview of all regulatory performance assessments in progress as at 31 August 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 31 August 2019

#	Date reported	Type	Market	Species	Report
169	August 2019	Animals Australia	Kuwait	Sheep	Loss of control and traceability
172	Aug 2019	Animals Australia	Indonesia	Cattle	Animal welfare concerns