

Exporter Supply Chain Assurance System Regulatory Performance Report

1 December 2015 to 29 February 2016

TABLE OF CONTENTS

1	Introduction.....	1
2	Period summary: 1 DECEMBER 2015 – 29 FEBRUARY 2016	2
3	ESCAS non-compliance reviews.....	3
3.1	Overview of findings.....	3
3.2	Actions taken in response to ESCAS non-compliance reports	3
4	ESCAS REGULATORY PERFORMANCE REVIEWS	5
4.1	GAZA.....	6
	Report # 28: Cattle exported to Gaza	6
4.2	ISRAEL	13
	Report # 57: Cattle and sheep exported to Israel.....	13
4.3	VIETNAM.....	18
	Report # 63: Cattle exported to Vietnam	18
4.4	THAILAND	20
	Report # 95: Cattle exported to Thailand	20
5	Summary of reviews in progress as at 29 FEBRUARY 2016.....	23

1 INTRODUCTION

The Exporter Supply Chain Assurance System (ESCAS) requires exporters' to have commercial arrangements with supply chain partners (i.e. importers, feedlots, abattoirs) in importing countries to provide humane treatment and handling of livestock from arrival in the importing country up to the point of slaughter. ESCAS is underpinned by the following key principles – animal welfare, control and traceability – whereby the exporter must demonstrate, through a system of reporting and independent auditing:

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

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

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

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

2 PERIOD SUMMARY: 1 DECEMBER 2015 – 29 FEBRUARY 2016

From 1 December 2015 to 29 February 2016, more than 731 000 livestock (cattle, sheep, buffalo and goats) were exported in 143 consignments approved under Exporter Supply Chain Assurance System (ESCAS) requirements from Australia to 15 markets (Table 1).

Table 1 - Markets for Australian Livestock exported under ESCAS - 1 December 2015 to 29 February 2016

Bahrain	Brunei Darussalam	Indonesia
Israel	Japan	Jordan
Kuwait	Malaysia	Oman
Philippines	Qatar	Russia
Turkey	United Arab Emirates	Vietnam

During this period, the department received reports of non-compliance with ESCAS requirements involving supply chains in Indonesia, Kuwait, Thailand, Turkey and Vietnam.

Four non-compliance investigations were completed by the department with four findings of non-compliance (Table 2). During this period, the department recorded three critical and one major findings of non-compliance against exporter ESCAS supply chains. For the Vietnam investigation, the department was unable to determine which exporter was responsible for the cattle and therefore the finding was not able to be recorded against a specific supply chain.

Table 2 Summary of findings of ESCAS non-compliance - reviews completed 1 December 2015 to 29 February 2016

Market	Reports	Finding				
		Critical	Major	Minor	No confirmed	No non-compliance
Gaza	1	1				
Israel	1	2				
Thailand	1		1			
Vietnam	1					
Total	4	3	1	0	0	0

3 ESCAS NON-COMPLIANCE REVIEWS

3.1 Overview of findings

An overview of findings for reviews completed between 1 December 2015 – 29 February 2016 is provided in Table 3. A detailed summary for each review is provided in Section 4 of this report.

Table 3 ESCAS regulatory performance reviews completed 1 December 2015 – 29 February 2016

#	Date	Type	Market	Species	Animals reportedly involved	Exporter	Non-compliance finding
28	February 2014	Third party	Gaza	Cattle	100	Livestock Shipping Services	Critical
57	June 2015	Third party	Israel	Cattle and sheep	500 Sheep and 600 Cattle	Livestock Shipping Services, Otway Livestock Exports	Critical for each exporter
63	June 2015	Industry	Vietnam	Cattle	More than 8	Unable to be determined	Not recorded
95	December 2015	Self-report	Thailand	Cattle	134	Halleen Australasian Livestock Traders	Major

3.2 Actions taken in response to ESCAS non-compliance reports

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

Regulatory action applied by the department included:

- halting livestock exports to an entire market
- removing non-compliant facilities from ESCAS supply chains
- increasing risk ratings for facilities, with the frequency of independent performance audits increasing to monthly where appropriate
- requiring exporter representatives to be on-site during the processing of Australian livestock
- requiring exporters to appoint Animal Welfare Officers (AWO) and Supply Chain Officers (SCOs) to oversee animal welfare and control and traceability requirements at facilities
- increasing reporting requirements for exporters, including the provision of information about livestock handling and slaughter activities, and livestock reconciliations
- suspending livestock exports to a facility while an investigation was ongoing.

Corrective actions implemented by exporters included:

- removing non-compliant facilities from ESCAS supply chains
- providing additional training to staff at facilities
- the termination of employment of staff implicated in non-compliance incidents
- revising Standard Operating Procedures (SOPS)
- appointing AWOs and SCOs to oversee animal welfare and control and traceability requirements at facilities
- the modification/upgrade of infrastructure at facilities to meet ESCAS standards
- liaising with importers and facilities to reiterate ESCAS requirements
- increasing reporting requirements.

4 ESCAS REGULATORY PERFORMANCE REVIEWS

Markets

- Gaza
- Israel
- Thailand
- Vietnam

Exporters

Halleen	Halleen Australasian Livestock Traders
LSS	Livestock Shipping Services
Otway	Otway Livestock Exports

Acronyms and abbreviations

ASEL	Australian Standard for the Export of Livestock	AWO	Animal Welfare Officer
ESCAS	Exporter Supply Chain Assurance System	MLA	Meat & Livestock Australia
NLIS	National Livestock Identification System	PIC	Property Identification Code
RFID	Radio Frequency Identification Device	SCO	Supply Chain Officer

4.1 GAZA

Report # 28: Cattle exported to Gaza

Background:

Australian cattle are regularly exported to Israel. At the time of this complaint being received (26 February 2014), one exporter sending cattle to Israel, Livestock Shipping Services (LSS), had facilities in Gaza included in their approved ESCAS. Over 6 600 cattle were moved into Gaza by LSS in the period March 2013 to February 2014.

This is the second investigation relating to ESCAS non-compliance in Gaza. The first investigation complaint (Report number 24) was received on 5 November 2013 and the findings were published on 24 July 2014. A major non-compliance was recorded against the LSS supply chain for loss of control and traceability which resulted in adverse animal welfare outcomes. A minor non-compliance was also recorded against LSS for moving cattle into a Gaza facility prior to that facility being approved by the department. The full report can be found at: <http://www.agriculture.gov.au/export/live-animals/livestock/regulatory-framework/compliance-investigations/investigations-regulatory-compliance>.

No consignments have been approved for export to Gaza since November 2013. The department removed all Gaza facilities from the LSS ESCAS approved supply chains on 6 March 2014. This meant that no more Australian cattle were permitted to be moved from Israel to Gaza.

Introduction:

On 26 February 2014, Animals Australia submitted a complaint to the department which reported non-compliance with ESCAS requirements for cattle exported under ESCAS arrangements to Gaza. Between February 2014 and January 2015, Animals Australia submitted 15 complaints relating to this supply chain. These complaints contained over 175 photographs and 25 videos reportedly taken between the period 6 February 2014 and 12 October 2014 in Gaza.

The Animals Australia complaints reported the following:

- critical non-compliance with ESCAS animal welfare standards relating to handling and slaughter at approved facilities in Gaza
- critical non-compliance with ESCAS animal welfare standards relating to handling, transportation and slaughter at unapproved facilities— including in the street during the Eid Festival—in Gaza
- losses of control and traceability within the supply chain, and
- the unapproved movement of cattle across the border from Israel into Gaza and the West Bank.

This investigation relates to the 607 cattle remaining in the Gaza supply chain at the time of the first Gaza complaint; to cattle reportedly moved into Gaza from Israel after the closure of the market; and to cattle that were recorded as being slaughtered in ESCAS approved abattoirs in both Israel and Gaza reportedly appearing alive in Gaza.

Department Assessment:

Non-compliant slaughter at an approved facility - Gaza Municipal Slaughterhouse (GMS):

The department assessed the video and photographs showing slaughter practices at GMS provided by Animals Australia. The video demonstrated numerous areas of non-compliance with ESCAS animal welfare standards and control and traceability requirements. LSS agreed with the findings of non-compliant slaughter at the GMS as reported by Animals Australia.

These included:

- cattle are unduly stressed prior to slaughter due to handling in the lairage. This included prodding/hitting cattle with sticks, and hosing them to try and make the cattle move down the race.
- the use of an inversion restraint box for cattle that were too small allowing animals to right themselves in the box. In several instances, the animal is able to put its front leg through the head opening. In one example, the leg is seen next to the head whilst the box is being inverted. The animal is slapped in the face multiple times by the slaughterman causing it to retract itself back into the box. The animal is seen to right itself in the inverted box. The slaughterman is then seen to make numerous stabbing and cutting motions inside the box over the following two minutes. When the head finally does emerge, multiple cuts are made to the throat including in a stabbing and sawing action over the next minute with the animal still conscious.
- cattle are not restrained humanely and slaughtered competently to minimise any suffering involved resulting in animals still conscious several minutes after first cut made.
- insufficient and/or inefficient head restraint both pre and post-cut. One of the two rotating slaughter boxes has insufficient head restraint, the other has no head restraint.
- seven examples of inadequately restrained livestock slaughtered with multiple cuts (at least 14 cuts seen in one case).
- in two cases, wounds are seen to be interfered with by the slaughterman such as handling or hosing.
- failure to confirm death post-slaughter— several cattle are seen being released from the slaughter box and hoisted prior to confirmation of death.
- cattle are seen to have had visual ID ear tags removed.

The video also demonstrated that corrective actions undertaken by the exporter at GMS following the outcomes of the first Gaza ESCAS report were not being maintained.

Two cattle in the video could be positively identified by their tags and were traced back to an LSS consignment which was exported to Israel under ESCAS arrangements from Fremantle on 7 August 2013. ESCAS records provided to the department by LSS indicated that these cattle were last scanned at an ESCAS approved abattoir in Israel and were recorded as being slaughtered there.

The remaining cattle shown in the video are consistent with those exported to the region from Australia and could clearly be seen to be carrying yellow export tags and Radio-frequency identification (RFID) tags consistent with those used for the Australian National Livestock Identification System (NLIS). However, the individual tag numbers could not be read due to the quality of the video and therefore no direct link back to a consignment or exporter could be made.

An example of an NLIS device is shown below:



Image reproduced courtesy of National Livestock Identification System (NLIS) Ltd www.nlis.com.au

The department received copies of the video and photographs from Animals Australia. No examination of the metadata could be conducted to authenticate when and where the images were recorded. A signed statement and corroborating material supplied by Animals Australia provided the department with reasonable confidence that the events occurred as reported.

Non-compliant slaughter at unapproved facilities - Gaza abattoirs and street locations:

Multiple reports were received from Animals Australia relating to the slaughter of Australian cattle outside of approved facilities. The department assessed video and photographs showing slaughter practices outside of approved supply chains provided by Animals Australia and determined that the video demonstrated numerous areas of non-compliance with ESCAS animal welfare standards and control and traceability requirements.

These included:

- handling non-compliances causing the cattle stress, pain and suffering, and failing to avoid harm, distress or injury including the use of rope casting and tendon cutting to immobilise the animal for slaughter, being jumped over/leaned on, and being kicked and hit with sticks.
- non-compliance relating to handling and unloading facilities. This included cattle being forcibly dragged or made to jump off trucks with no unloading facilities present—in several cases, their legs are seen to be hobbled at the time.
- slaughter without the use of appropriate restraint facilities.
- cattle are not restrained humanely and slaughtered competently to minimise any suffering involved such as cattle being rope cast for slaughter, the use of multiple cuts and stabbing or sawing motions.
- cattle were not restrained humanely and slaughtered competently to minimise any suffering involved resulting in multiple animals seen to still be conscious several minutes after the first cut is made.
- insufficient/inefficient head restraint both pre and post-cut.
- cuts/stabs are seen to be made not exclusively to the throat.
- failure to confirm death post-slaughter—in multiple cases, wounds are seen to be interfered with by the slaughterman and/or hosed prior to confirmation of death.
- cattle are seen to have had visual ID ear tags removed.

A total of 10 tags could be positively identified in the video and photographs provided by Animals Australia of cattle being slaughtered outside of approved supply chains. These tags were linked back to consignments exported to Israel under ESCAS arrangements by LSS between June 2013 and February 2014. ESCAS records provided to the department by LSS indicated that four cattle were last scanned at GMS and recorded as being slaughtered at that facility. The remaining six cattle were last scanned at an abattoir included in the LSS supply chain in Israel and were similarly recorded as being slaughtered at that facility.

Numerous other cattle were shown in the video and photographs which were consistent with those exported to the region from Australia and many could clearly be seen to be carrying yellow export and/or NLIS tags. However, individual tag numbers could not be read due to the quality of the video and therefore no direct link back to a consignment or exporter could be made.

The department received copies of the video and photographs from Animals Australia. No examination of the metadata could be conducted to authenticate when and where the images were recorded. Some of the locations in the Animals Australia complaints clearly showed cattle being slaughtered in unapproved facilities such as in the street, or at facilities that appeared to be outside of the approved supply chain.

Loss of control and traceability within the approved supply chain:

A total of 56 tags were able to be identified in video and photographs provided to the department relating to this investigation.

Of these, 53 tags were provided by Animals Australia, one was provided to the department by LSS in March 2014, and two more were shown in a media article in October 2014. ESCAS records provided to the department by LSS enabled the department to trace the movements of these cattle. Of these tags, 46 could be traced back to LSS consignments for which ESCAS facilities in Israel and Gaza were approved. The remaining 10 tag numbers provided to the department were either unable to be read due to the quality of the video or were incomplete. These tags were therefore not investigated further, however numerous cattle were seen to be carrying NLIS tags, either alone or with the yellow visual ID tags, and therefore were likely to have been of Australian origin.

Of the cattle traced to export consignments, 14 were last scanned at GMS, 31 at an LSS ESCAS approved abattoir in Israel, and one at an LSS ESCAS approved feedlot in Israel. The cattle scanned at the ESCAS approved abattoirs in Israel and Gaza were recorded as being slaughtered at those facilities. This information implies that cattle were moved from ESCAS approved facilities in both Israel and Gaza to locations outside approved ESCAS supply chains in Gaza.

Animals Australia further reported that Australian cattle were found at eight locations in Gaza. One location was an approved feedlot, however the cattle found there were last scanned at an LSS ESCAS approved abattoir in Israel and were recorded as being slaughtered at that facility. The dates of the video and photographs provided by Animals Australia indicated that cattle were being moved into Gaza from Israel after the department had suspended all movement of cattle into Gaza in March 2014.

LSS reported that it was possible that the visual identification tags from Australian cattle, slaughtered at approved facilities, were being collected and reused. LSS contended that Australian ear tags could be reused and applied to other cattle to make the cattle appear to be of Australian origin for commercial benefit. LSS proposed that this was a potential explanation for cattle with LSS ear tags appearing outside the LSS supply chain when their ESCAS records indicated that the same cattle were slaughtered at ESCAS approved abattoirs. A video was provided by LSS showing an animal of a breed inconsistent with those exported from Australia carrying a LSS visual ID tags in Gaza. A media article released in October 2014 also depicted cattle of an inconsistent breed photographed in Gaza carrying LSS tags. Two of these tags were last scanned at an LSS ESCAS approved abattoir in Israel and the cattle were recorded as being slaughtered there. To prevent tag reuse, LSS implemented processes to destroy all ear tags after slaughter.

The department accepted the tag reuse may be occurring however the animals shown in the photographs and video provided to the department were consistent in appearance with those exported from Australia to Israel, indicating that they were likely of Australian origin. Most of the photographs showed that the cattle were also tagged with RFID tags. While other countries, including Israel use RFID tags to identify cattle, some of the tags in the photograph were confirmed to be Australian NLIS tags.

The department found no evidence that cattle were moved from any other approved facilities in Israel to locations outside the approved supply chain other than the abattoir referenced in this report. During a visit by Australian government representatives to the LSS ESCAS approved abattoir in May 2015, systems for traceability and control of livestock appeared comprehensive and well structured.

The department received copies of the video and photographs, and therefore no examination of the metadata could be conducted to authenticate when and where the images were recorded. Some of the locations in the Animals Australia complaints clearly showed cattle being slaughtered in unapproved facilities such as in the street, or at facilities that appeared to be outside of the approved supply chain.

Unapproved cross-border movement of cattle into Gaza and the West Bank from Israel:

In June 2014, the department received information from Animals Australia reporting the unapproved movement of cattle across the border at the Kerem Shalom Crossing into Gaza after the closure of the market. Further information was provided by Animals Australia in July and August regarding more movements into Gaza and the West Bank. No facilities in the West Bank have been included in any ESCAS approved supply chains. Animals Australia reported that the information was provided to them by an Israeli animal welfare organisation who obtained the information via a Freedom of Information (FOI) request placed with the Israeli government. The information included a list of tag numbers. Animals Australia also stated that in July 2014 over 1000 Australian cattle were being held in Gaza at a previously approved feedlot for LSS being prepared for Eid al Adha (eight tags identified and traced).

None of the tag numbers provided in the June and July complaints matched tag numbers of cattle exported from Australia. As such, none were able to be confirmed as being tags applied to cattle exported from Australia. Further information was requested from Animals Australia, however no response was received and this tag information was not further investigated and could not support any findings.

In August, Animals Australia wrote to the department and provided further tag lists reported to have been of cattle moved into Gaza and the West Bank from Israel. This list included 11 tag numbers that were reportedly applied to Australian cattle moved from Israel to Gaza after the Gaza supply chain was closed which had been provided to the

department in earlier reports. The tag numbers did not exactly match any tag numbers of cattle exported from Australia as provided, however they were in the correct format other than they had one additional digit at the end of the number when compared to the numbering system used by LSS. The tags were able to be matched without this extra number.

Multiple reports were received regarding the movement of Australian cattle from Israel to Gaza after the Gaza supply chain was closed. While on balance it appears likely that some unauthorised movement occurred, the department was not able to exclude this as a possibility or confirm that it had occurred.

Summary of Conclusions

- The report found that cattle were slaughtered in a way that did not meet ESCAS animal welfare standards at one ESCAS approved facility and at several unapproved locations in Gaza.
- The report also found that cattle were moved from ESCAS approved facilities—in both Israel and Gaza—to unapproved locations in Gaza. It is also likely that some unauthorised movement of cattle into Gaza occurred after the closure of the Gaza market.

Departmental action:

Regulatory action was implemented at GMS in response to the first Gaza ESCAS investigation as detailed in the report published on the department website in June 2014:

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

On 15 October 2014, confirmation was received from LSS that all remaining cattle had been slaughtered.

In assessing this matter against the guidelines for management of non-compliance (<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/non-compliance>), a critical non-compliance has been recorded against the LSS supply chain for cattle exported to Gaza for the failure to comply with ESCAS animal welfare standards and control and traceability requirements.

Interest has been shown by exporters and importers to recommence cattle exports to Gaza. The department is unlikely to be satisfied that ESCAS animal welfare standards can be consistently achieved for livestock in Gaza. There have been multiple, confirmed reports of serious animal welfare breaches in Gaza over a long period of time suggesting that ESCAS standards are unlikely to be maintained in that market.

4.2 ISRAEL

Report # 57: Cattle and sheep exported to Israel

Background:

The Israel market was the third largest by volume for Australian feeder and slaughter cattle exports and sixth largest for feeder and slaughter sheep exports in 2015. There are currently two Australian exporters that export livestock to Israel. In 2015, a total of 14 consignments of livestock were exported to Israel, including 93,039 sheep and 80,753 cattle. At the time of publication, there were two compliance investigations under assessment with the department and one previous non-compliance (Report Number 37) recorded for this market.

Introduction:

On 27 May 2015, the Department of Agriculture and Water Resources (the department) received a complaint from Animals Australia reporting non-compliance with Exporter Supply Chain Assurance System (ESCAS) animal welfare standards at Dabbah abattoir in Israel. The non-compliance was documented in a 29 minute video extract compiled from CCTV footage, reportedly filmed over three days from 12 to 14 May 2015. The video showed non-compliances with ESCAS animal welfare standards including multiple instances of poor cutting technique, failure to assess consciousness, inappropriate early release of cattle from the restraint box and abattoir workers breaking the tails of cattle. There was additional video of poor cattle and sheep handling in the lairage and unloading of sheep from the top level of a double-decker truck without a ramp.

This is the first report of non-compliant handling and slaughter at an ESCAS approved abattoir in Israel. Dabbah abattoir is an approved facility included in the Israel supply chain of Australian exporters Livestock Shipping Services (LSS) and Otway Livestock Exports (Otway). The abattoir performs kosher and halal slaughter without stunning. It was independently audited against ESCAS standards on 27 January and 27 April 2015 and was found to be fully compliant. Department representatives visited the abattoir on 28 April 2015 and observed acceptable livestock handling and slaughter practices.

On receipt of this complaint, the department commenced an investigation and the corresponding assessment, response and conclusions are detailed in this report.

Department assessment:

The department asked the exporters to confirm that the video was taken at Dabbah abattoir in Israel. Both exporters confirmed that the abattoir in the video was Dabbah abattoir. The dates and timeframe over which the video was taken could not be verified. The department was satisfied that the cattle and sheep in the video were of Australian origin based on their

appearance and ear tags. It was not possible to trace the livestock to a particular consignment as the video was of insufficient quality to read ear tag numbers.

The video showed multiple non-compliances with ESCAS animal welfare standards. The most serious non-compliances were recorded in the kosher slaughter line. The cattle and sheep handling in the lairage and unloading of sheep from a double-decker truck without a ramp were also not compliant with ESCAS animal welfare standards.

Regulatory action:

In responding to this incident the department undertook the following actions:

- On 28 May 2015, the department provided the details of the incident and video to the two relevant Australian exporters, industry and Israeli authorities for their attention and action.
- On 5 June 2015, the department removed the abattoir from both exporters' ESCAS approvals, as the department had not received a detailed response from either exporter about whether corrective actions had been put in place to address the animal welfare problems.
- On 6 June 2015, the department approved inclusion of the abattoir in both exporters' approved ESCAS as the department was satisfied that the actions taken by both exporters would ensure compliance with ESCAS requirements. Corrective measures put in place included:
 - Having Australian exporter representatives on site at the abattoir to act as Animal Welfare Officers and provide immediate training on animal handling and slaughter.
 - Appointing an Australian veterinarian to spend three weeks at the facility from 7 to 26 June 2015 to supervise handling and slaughter processes, provide intensive training, modify infrastructure and revise Standard Operating Procedures.
 - Providing daily written reports to the department for each day of slaughter.
- On 6 June 2015, the department assessed a response from Dabbah abattoir management. They had undertaken remedial action, including termination of staff, resurfacing the sheep receival area, banning double-decker trucks without internal drop down ramps and upgrading CCTV infrastructure. They have since appointed two staff as Animal Welfare Managers and another two as Animal Welfare Officers.
- On 16 June 2015, Australian officers met with Israeli representatives regarding this incident. Both governments expressed their commitment to the live export trade and animal welfare. Israel advised that their authorities responded quickly to the complaint and increased monitoring of all abattoirs. They also suspended Dabbah abattoir on 8 June 2015 and subsequently allowed it to resume operating on 11 June 2015 but at a limited processing capacity.

- On 10 July 2015, Australian officials met with the Rabbinate in Israel to better understand the training of shochets (kosher slaughtermen) and their allocation to abattoirs. The Rabbinate is responsible for theoretical training of prospective shochets, performing audits and accrediting kosher companies. Practical training of shochets is provided by the kosher companies that employ them. Fully qualified shochets and trainees work together in a team. Abattoirs do not employ shochets directly, rather different teams are brought in to perform slaughter for their respective kosher brand.
- On 14 July 2015, both exporters' ESCAS approvals for Israel were varied to make it a condition of the ESCAS approval that the exporter:
 1. *Have a representative on site at Dabbah abattoir during processing of cattle and sheep from their supply chains to supervise livestock handling and slaughter operations and ensure adherence with ESCAS animal welfare standards.*
 2. *Provide daily written reports to the department for slaughter of cattle and sheep from their supply chains at Dabbah abattoir, including a summary of livestock handling and slaughter activities, specific details of how ESCAS animal welfare standards were met and cattle slaughter identification lists, or sheep numbers.*
- The department assessed a report from an independent auditor that visited Dabbah abattoir on 15 July 2015. They verified the animal welfare systems and processes that the exporters had introduced at the facility.
- As a result of this investigation, the department assessed the Dabbah abattoir as 'high risk', which increases the required frequency of independent audits to at least quarterly. This risk rating was included in the exporters' ESCAS approvals on 7 August 2015.
- The department requested that the Australian veterinarian who attended Dabbah abattoir in June 2015 return to the facility to undertake a follow-up review. The veterinarian spent five days at the premises, arriving on 30 August 2015. He reported that operations were running smoothly and in adherence with ESCAS standards. He also noted considerable progress had been made at the facility and management had demonstrated a positive attitude and strong commitment to continual improvement.
- On 4 September 2015, the department sent letters to the exporters advising that the following two additional conditions were being applied to their ESCAS approvals:
 3. *Maintain daily records of shochets working at Dabbah abattoir and ensure that only those that are fully trained are engaged for Australian livestock.*
 4. *Have independent audits undertaken monthly for Dabbah abattoir.*
- On 30 December 2015, a meeting was held between Australian and Israeli governments in Israel to discuss the status of Dabbah abattoir. The Israeli authorities advised that the Supreme Court had been hearing a petition by animal welfare groups to close Dabbah abattoir. This was dismissed on 30 December 2015 and the abattoir was able to operate with no domestic restrictions. Inspections of Dabbah

abattoir by Israeli officials on 1 June and 6 October 2015 raised specific animal welfare concerns, however, the Ministry of Agriculture and Rural Development in Israel was confident that these had been sufficiently addressed and this assessment was supported by the Supreme Court.

- On 15 January 2016, the exporters' ESCAS approvals were varied to include one further condition:
 5. *An independent veterinarian or technical expert must visit Dabbah abattoir once per quarter for one working week to undertake a review. A written report is to be completed for each visit and provided directly to the department, including observations of livestock handling and slaughter, any identified concerns and actions taken.*
- The first review was conducted on 4 to 11 January 2016, immediately prior to the exporters' ESCAS approvals being varied to include the condition. It was undertaken by the Australian veterinarian previously engaged to work at the facility in June and August to September 2015. The report documented that operations were generally compliant with ESCAS standards. There was a single welfare incident reported and minor operational non-compliances, which were observed and rectified. It also made reference to the active role of the abattoir Animal Welfare Manager in both preventing and rectifying animal welfare issues.
- Since the implementation of this new condition, the requirement for daily reporting (*Condition 2.* above) has been removed and the schedule of monthly independent audits (*Condition 4.* above) has been reduced to quarterly. All audits to date have demonstrated compliance with ESCAS requirements.

Department conclusions:

In the investigation of this case, the department corresponded closely with an Australian veterinarian and exporter representatives on site at Dabbah abattoir. They provided valuable insights into operations at the abattoir and potential reasons for the breakdown in animal welfare standards, including lack of disciplined supervision by management and variations in personnel due to staff turn-over, casual employment and multiple shochet teams. Their reports were consistent with the video evidence and revealed that systemic animal welfare problems existed within the facility.

Dabbah abattoir has a proven capacity to operate in a manner compliant with ESCAS animal welfare standards, however, at the time of the complaint the abattoir was not consistently operating in a manner that met ESCAS animal welfare standards. The department has applied additional conditions to ESCAS approvals requiring increased oversight (as detailed above) of the abattoir to ensure that ESCAS animal welfare standards are consistently met and to safeguard Australian livestock processed at the abattoir.

The additional conditions applied to ESCAS approvals aim to increase monitoring at the abattoir and allow for observation and assessment of operations over multiple days to account for any variation in practices resulting from staff changes. Recent reviews have noted that abattoir management understands the critical importance of animal welfare and has made it a priority. The department continues to monitor reports about operations at the abattoir and is regularly reassessing and updating the conditions applied to the exporters' ESCAS arrangements to Israel.

In assessing this matter against the guidelines for management of non-compliance (<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/non-compliance>), the department has recorded a critical non-compliance with ESCAS animal welfare standards against both Australian exporters' supply chains to Israel.

4.3 VIETNAM

Report # 63: Cattle exported to Vietnam

Background:

The Vietnamese market was the second largest for Australian feeder/slaughter cattle (by volume) in 2015, with over 340 000 head exported in a total of 111 consignments. There were seven active cattle exporters to Vietnam.

As at 1 January 2016, there were four non-compliance investigations in progress relating to Vietnam—including this report—and 13 previous reports that have been finalised and published resulting in 12 findings of non-compliance. These reports can be found at: <http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/investigations-regulatory-compliance>.

Introduction:

On 19 June 2015, Meat and Livestock Australia (MLA) notified both the Department of Agriculture and Water Resources (department) along with all exporters to the Vietnam cattle market of suspected non-compliances via email.

In May and June 2015, MLA staff and a consultant conducted routine risk assessments of abattoirs in the Hanoi region, Vietnam. On 23 May and 16 June 2015, at least eight Australian cattle were observed in a slaughter facility that was not ESCAS approved. National Livestock Identification System (NLIS) ear tags bearing property identification codes (PICs) identified the cattle as Australian, however the numbers themselves could not be distinguished.

Department Assessment:

The notification outlined two observations of suspected non-compliance. The first occurred on 23 May 2015 during the conduct of a routine abattoir risk assessment by MLA staff in the Gia Lam district, Hanoi. Eight cattle thought to be of Australian origin were observed. National Livestock Identification System (NLIS) ear tags bearing property identification codes (PICs) identified the cattle as Australian. The tag numbers themselves could not be distinguished and the cattle did not have brands therefore the responsible exporter could not be identified. Small green ear tags were also visible however the source and purpose of these is unknown.

The facility lacked a restraint box and one animal appeared to have been slaughtered while restrained with a head halter tied to a rail. A sledgehammer was observed, although the slaughter process itself was not observed. The notification stated that the cattle in this facility appeared different to those in approved facilities in the same area due to their size, condition and the presence of green ear tags.

The second observation occurred on 16 June 2015, at the same facility. The exact number of Australian cattle observed was not reported, however they were described to again be carrying NLIS ear tags (numbers indistinguishable) and small green and yellow ear tags. Photographs were taken and were included in the notification.

Due to MLA workplace health and safety procedures, no further information could be obtained and corrective action to return the cattle to an approved facility was not an option in either instance.

Exporter action:

No action was taken by exporters as the relevant exporter could not be identified.

Regulatory action:

No regulatory actions was taken by the department as the relevant exporter could not be identified, and therefore the supply chain responsible for the leakage could not be determined.

In response to reports of ESCAS non-compliance in Vietnam during 2015, the department notified exporters via an Export Advisory Notice (EAN 2015-10 - <http://www.agriculture.gov.au/export/controlled-goods/live-animals/advisory-notice>) that an additional independent audit of control and traceability arrangements for every facility included in approved Vietnam supply chains was required by 31 December 2015. The department had received audits for all supply chains in Vietnam by the requested date.

Department conclusions:

In assessing this matter against the guidelines for management of non-compliance (<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/non-compliance>), the observations indicated a major non-compliance with ESCAS control and traceability and animal welfare requirements, however the exporter responsible could not be determined as tag numbers were not identifiable to enable the cattle to be linked to a given exporter.

MLA advised exporters to check their traceability records and control procedures, and to advise of any information that may assist in the assessment of these incidents. The department has not received of any further advice on the situation from either MLA or any exporter.

4.4 THAILAND

Report # 95: Cattle exported to Thailand

Background:

Thailand is a relatively new market for live animal exports under the Exporter Supply Chain Assurance System (ESCAS), which commenced in the country on 1 November 2014. The Thailand market was the ninth largest by volume for Australian feeder and slaughter cattle exports for 2015. In 2015, a total of six consignments were sent to Thailand, totalling 8,949 cattle and there were four Australian exporters shipping livestock to Thailand. At the time of publication, there were four non-compliances recorded for Thailand (Report Numbers 52, 62, 64 and 65), including one that was assessed as critical and, as a result, one exporter has withdrawn from the market and their ESCAS approval has been revoked.

Introduction:

The Department of Agriculture and Water Resources (the department) received an email from Halleen Australasian Livestock Traders (Halleen) on 11 November 2015 advising of a possible non-compliance affecting their cattle supply chain to Thailand. They had been informed that Australian cattle had been moved across international borders from Thailand to Vietnam, however, the information had not been verified and they were investigating the report.

Halleen confirmed the non-compliance on 7 December 2015 and reported that the cattle involved were most likely from their Thailand supply chain. The cattle could be identified by their brands, which corresponded with a recent Halleen shipment. Although they had National Livestock Identification System (NLIS) ear tags in place at the time of export, these had been removed. The cattle were observed at two ESCAS approved abattoirs in northern Vietnam.

On 18 December 2015, Halleen sent the department a detailed self-report including a list of NLIS numbers for the cattle lost from their Thailand supply chain. They sent 2,250 cattle to Thailand on 7 June 2015. Their importer sold 134 bulls from this consignment to a single buyer who owned ten approved feedlots in Thailand, which had only recently been added to Halleen's supply chain on 24 July 2015. The animals were reportedly on-sold from these feedlots to purchasers outside of the supply chain.

The cattle were subsequently observed at two ESCAS approved abattoirs in the Hanoi region of Vietnam by an on-ground representative of another Australian exporter. They were reportedly slaughtered in adherence with ESCAS standards. Halleen advised that 100 cattle were present at one abattoir and the remaining 34 were at the other, however, they were unable to provide any supporting evidence.

Halleen has an in-market representative for Thailand, however, they were not in the country at the time of the incident. In response to the non-compliance report, Halleen sent one of their representatives to all feedlots in Thailand to conduct an inspection and reconciliation. They found that the total number of cattle missing from their supply chain was 134 and reconciliation lists were provided to the department on 3 February 2016.

Department assessment:

The department concluded that Halleen lost 134 bulls from their cattle supply chain in Thailand, and the most likely source of the leakage was ten approved feedlots that were all under the same ownership.

Shortly afterwards cattle were seen in ESCAS approved abattoirs in Vietnam with brands that corresponded with the animals lost from Halleen's supply chain. Consequently, the department considers it most likely that the cattle seen in Vietnam were from Halleen's supply chain to Thailand.

There is insufficient evidence to conclude that all missing cattle were delivered to the abattoirs in Vietnam and slaughtered in adherence with ESCAS standards. It is possible that some livestock were not accounted for and welfare outcomes for such animals cannot be determined. It also remains unknown whether transportation and holding of cattle met ESCAS standards once they were moved outside of the supply chain.

Halleen sent their in-market representative to Thailand following the incident to assist with control and traceability of livestock in the supply chain. They also requested removal of the ten feedlots from which the cattle had been sold outside of the supply chain. Halleen was cooperative with the department's investigation of this event and provided a self-report and additional information on request.

Halleen does not have previous non-compliances recorded against any of their supply chains. They are currently subject to two open non-compliance investigations, which relate to loss of control and traceability of livestock in Malaysia. These are under assessment with the department and the findings will be published once complete.

Regulatory action:

The department requested further information from Halleen on 23 November, 2 and 15 December, 25 and 28 January and 2, 4 and 5 February 2015 on the details of the incident and their corrective action. The department removed the ten feedlots from the exporter's ESCAS approvals to Thailand on 25 January 2015.

In addition, all supply chains and facilities in Thailand for all three exporters to the market have been assessed as 'high risk' and will be subject to quarterly auditing. The department has also applied a new condition to all exporters' ESCAS arrangements to Thailand

stipulating that they must have supply chain officers in place to monitor feedlots and abattoirs to ensure control and traceability requirements are met.

Department conclusions:

The leakage of cattle from Hallee's supply chain to Thailand most likely occurred through ten feedlots owned by a single operator. The department addressed this by removing the feedlots from the exporter's ESCAS approvals to Thailand.

More broadly, ESCAS has only recently been introduced in Thailand and managing control and traceability of Australian livestock in this market has proven challenging. There have been five non-compliances recorded in the space of approximately one year, including this case.

There have been no shipments of cattle to Thailand since this non-compliance. The department will require Australian exporters to implement the new ESCAS conditions of quarterly auditing of all facilities and appointing supply chain officers to manage control and traceability before approving future consignments to Thailand.

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

5 SUMMARY OF REVIEWS IN PROGRESS AS AT 29 FEBRUARY 2016

Table 6 provides an overview of all regulatory performance reviews in progress as at 30 November 2015. The status of all reviews can be found on the department's website www.agriculture.gov.au/export/live-animals/livestock/regulatory-framework/compliance-investigations/investigations-regulatory-compliance.

Table 4 Summary of ESCAS regulatory performance reviews in progress as at 29 February 2016

Web #	Market	Species	Report	Date	Received from
50	Indonesia	Cattle	Use of an unapproved abattoir line	December 2014	Self-reported by exporter
56	Israel	Cattle	Held in poor conditions in a feedlot	April 2015	Animals Australia
58	Vietnam	Cattle	Animals outside supply chain and animal welfare concerns	May 2015	Animals Australia
60	Vietnam	Cattle	Animals outside supply chain and animal welfare concerns	June 2015	Self-reported by exporter
61	Kuwait	Sheep	Animals outside supply chain and animal welfare concerns	June 2015	Industry
63	Vietnam	Cattle	Animals outside supply chain and animal welfare concerns	June 2015	Industry
68	Kuwait	Sheep	Animals outside supply chain and animal welfare concerns	July 2015	Animals Australia
70	Indonesia	Cattle	Transport incident – truck stolen	July 2015	Self-reported by exporter
71	Israel	Cattle	Animals outside supply chain and animal welfare concerns	August 2015	Animals Australia
75	Kuwait	Sheep	Animals outside supply chain and animal welfare concerns	August 2015	Industry
78	Kuwait	Sheep	Animals outside supply chain and animal welfare concerns	August 2015	Industry
79	Oman	Sheep	Animals outside supply chain and animal welfare concerns	September 2015	Animals Australia
80	Malaysia	Sheep / goats	Animals outside supply chain	September 2015	Industry
83	Malaysia	Cattle	Animals outside supply chain	September 2015	Third-party report
84	Kuwait	Sheep	Animals outside supply chain and animal welfare concerns	September 2015	Industry
85	Kuwait	Sheep	Animals outside supply chain and animal welfare concerns	September 2015	Animals Australia

Web #	Market	Species	Report	Date	Received from
86	Oman	Sheep	Animals outside supply chain and animal welfare concerns	October 2015	Industry
87	Oman	Sheep	Animals outside supply chain and animal welfare concerns	October 2015	Third party
88	United Arab Emirates	Sheep	Animals outside supply chain and animal welfare concerns	October 2015	Industry
89	United Arab Emirates	Sheep	Animals outside supply chain and animal welfare concerns	September 2015	Animals Australia
90	Malaysia	Cattle	Animals outside supply chain	October 2015	Industry
91	Vietnam	Cattle	Animals outside supply chain and animal welfare concerns	October 2015	Third party
93	Kuwait	Sheep	Animals outside supply chain and animal welfare concerns	December 2015	Self-reported by exporter
94	Turkey	Cattle	Animals outside supply chain and animal welfare concerns	December 2015	Department identified
95	Thailand	Cattle	Animals outside supply chain	December 2015	Self-reported by exporter
96	Indonesia	Cattle	Animals outside supply chain	February 2016	Self-reported by exporter
97	Vietnam	Cattle	Animals outside supply chain	February 2016	Self-reported by exporter