



Australian Government

Department of Agriculture, Fisheries and Forestry

Report into a Wellard Rural Exports consignment of sheep exported to Pakistan

Investigation report by the Department of Agriculture,
Fisheries and Forestry

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Summary

On 4 August 2012, licensed exporter Wellard Rural Exports Pty Ltd (Wellard) exported a consignment of approximately 75,000 sheep destined for Oman, Qatar and Bahrain onboard the vessel Ocean Drover. Following the discharge of part of this consignment in Oman and Qatar, the Ocean Drover sailed to Bahrain with the remaining sheep for discharge. After a series of delays in the unloading of the sheep in Bahrain between 21 August and 1 September, Wellard requested a variation to the Notice of Intention (NOI), the Consignment Risk Management Plan (CRMP) and Exporter Supply Chain Assurance System (ESCAS) approval to discharge the sheep in Pakistan. DAFF approved this request on 1 September 2012 and Wellard discharged approximately 21,000 sheep in Pakistan on 5 September 2012.

The exporter self reported non-compliance with the ESCAS approval conditions on 17 September 2012, and again on 19 October 2012. During these periods, Pakistan authorities took control of the PK Livestock facility and culled the sheep.

The DAFF investigation included assessment of records held by DAFF for the consignment, information provided by Wellard and video footage reportedly taken at the facility during and immediately after the first cull.

The scope of this investigation was limited to determining whether the exporter complied with the conditions of the NOI, CRMP and ESCAS approval and if the handling and slaughter of sheep shown in the publicly released video footage was compliant with World Organisation of Animal Health (OIE) animal welfare recommendations.

The investigation concluded that:

1. the handling and slaughter of sheep shown in the publicly released video footage was not compliant with OIE animal welfare recommendations
2. Wellard complied with the conditions of the NOI, CRMP and ESCAS approvals except when risks to personal safety or intervention by Pakistan authorities prevented Wellard from doing so
3. intervention by the Pakistan authorities and accompanying armed police was beyond the control of Wellard and could not have been avoided through the exercise of all due care.

The Secretary should treat the outcomes of the investigation as relevant information for the purposes of approving any future ESCAS applications for Pakistan. However, the Secretary does not have reasonable grounds on which to take other regulatory action against Wellard.

The livestock export industry has voluntarily suspended the export of slaughter and feeder animals to Pakistan. DAFF supports this position.

The animal handling and slaughter activities related to the first cull of the sheep in this consignment were not compliant with OIE animal welfare recommendations and DAFF considers that the non-compliances were serious in nature. This is information that the Secretary may consider when deciding whether to approve an ESCAS. Due to the seriousness of the outcomes, the Secretary may require significant assurances to be satisfied that any proposed ESCAS application for export to Pakistan would meet OIE animal welfare recommendations.

1. The Incident

The following is a summary of the key events that occurred during this incident. A chronology of events is presented at Appendix 2.

On 4 August 2012, licensed exporter Wellard Rural Exports Pty Ltd (Wellard) exported a consignment of approximately 75,000 sheep from Fremantle, Australia to Oman, Qatar and Bahrain onboard the vessel MV Ocean Drover.

Following the discharge of part of the consignment in Oman and Qatar, the Ocean Drover arrived in Manama, Bahrain on 21 August 2012 with the remaining sheep. On 22 August 2012, Wellard was advised that Bahraini officials had detected scabby mouth on some sheep and discharge was delayed.

The sheep were prepared for export in accordance with the agreed importing country requirements for Bahrain. These requirements did not include any conditions relating to Scabby Mouth and Bahrain had not notified Australia that Scabby Mouth was a disease of concern.

The Ocean Drover was requested to move out of the Manama port pending a formal decision. The Australian Government commenced discussions with the Bahrain Government on 22 August 2012 after being advised of the delay in unloading. When faced with the delay, Wellard initiated a contingency plan to find an alternate market canvassing a number of options with the Department, including Pakistan.

Following a series of discussions between the Australian and Bahrain Government, the vessel was requested by Bahrain to return to Manama port for further inspection and possible unloading of sheep. The vessel arrived back in Manama port on 29 August 2012. Following veterinary inspection, on 30 August 2012 the Bahrain Ministry of Municipalities Agriculture and Affairs issued written approval to the importer to offload all healthy sheep. The importer attempted to commence unloading of the animals on 30 August 2012, but the vessel was requested to vacate its berth by the port authority. No official explanation for this instruction was provided to the Australian Government.

Wellard requested to vary the NOI, CRMP and ESCAS to allow discharge of the sheep in Pakistan to the PK Livestock and Meat Co. Pty Ltd (PK Livestock) supply chain. Wellard cited animal welfare concerns caused by the ongoing delays in discharge as the reason for the request. The request was approved on 1 September 2012 subject to additional conditions including additional monitoring by Wellard representatives, industry representatives and an Independent Monitoring Officer (IMO) and daily reporting to DAFF.

Pakistan authorities accepted the sheep and Wellard completed discharge of approximately 21,000 sheep to the PK Livestock supply chain on 5 September 2012 Pakistan time. The PK Livestock supply chain is located in the city of Karachi, within the Pakistan province of Sindh.

Wellard reported that following discharge various federal and provincial Pakistan authorities visited the PK Livestock supply chain to examine livestock and take diagnostic samples. Following discharge, reports appeared in the Pakistan media regarding the health and food safety status of the sheep and by 15 September 2012, media interest and speculation about the health of the sheep was intense.

Australia's position remains that the sheep were always fit for human consumption and met all of the importing country requirements for both Bahrain and Pakistan. This position was subsequently confirmed through independent laboratory testing and veterinary examination.

On 17 September 2012, DAFF received notification from Wellard that it had lost control of the PK Livestock supply chain. Wellard advised DAFF that Pakistan authorities accompanied by armed police had removed Wellard and PK Livestock personnel from the premises and commenced action to cull all livestock on the premises due to health concerns. Wellard reported that between 7,000 and 10,000 sheep were culled, under the direction of the Pakistan authorities. Wellard reported that the cull that occurred over a number of days was not conducted in accordance with OIE animal welfare recommendations.

PK Livestock sought and was later granted a temporary court injunction preventing further culling of the sheep. On 22 September 2012, and as part of the court instructions, Wellard and PK Livestock resumed control over the day to day management of the supply chain facilities and handling of the remaining sheep at the PK Livestock supply chain. Wellard reported that they were able to manage the livestock in compliance with the ESCAS conditions of approval.

A period of considerable legal and diplomatic effort and international expert laboratory testing followed to address Pakistan's concerns that the livestock were diseased and not fit for human consumption. The chronology at Appendix 2 highlights some of the measures that were taken by Wellard and the Australian Government. Despite these efforts, on 19 October 2012, DAFF received notification from Wellard that it had again lost control of the PK Livestock supply chain. On 19 October 2012, Pakistan authorities accompanied by armed police officers again took control of the PK Livestock supply chain and commenced culling the remaining sheep. By 21 October 2012, no Australian sheep were observed alive in the PK Livestock supply chain by Wellard's IMO. On 22 October 2012, Pakistan authorities gave assurances to the Australian High Commission in Islamabad, that this second cull was conducted in line with international standards.

2. Legislation and Regulatory Framework

The legislation that regulates the livestock export industry is:

Export Control Act 1982

Export Control (Orders) Regulations 1982

Export Control (Animals) Order 2004

Australian Meat and Live-stock Industry Act 1997

Australian Meat and Live-stock Industry (Conditions on Live-stock Export Licences) Order 2012

Australian Meat and Live-stock Industry (Export Licensing) Regulations 1998

Australian Meat and Live-stock Industry (Standards) Order 2005

Under the ESCAS framework, Australian exporters must develop and implement a supply chain assurance system, approved by the Department of Agriculture, Fisheries and Forestry (DAFF) Secretary (or delegate), that:

- meets OIE recommendations for animal welfare
- demonstrates control through the supply chain
- enables livestock to be effectively traced by exporters within a supply chain through to, and including slaughter

- meets reporting and accountability requirements
- is independently verified and audited¹.

SCAS requirements for feeder and slaughter livestock exported to Pakistan took effect from 1 March 2012.

DAFF has developed a '*Guideline - Management of Non-Compliance: Exporter Supply Chain Assurance System (SCAS) for Feeder and Slaughter Livestock*' (available at <http://www.daff.gov.au/biosecurity/export/live-animals/livestock/scas/non-compliance>) that gives guidance on the regulatory action the Secretary might take in response to SCAS non-compliance. The guideline is neither exhaustive nor prescriptive in nature; it is intended as a guide only.

3. Conduct of the Investigation

On receipt of advice from Wellard that it had lost control of the PK Livestock supply chain DAFF commenced collection of information to inform the investigation. The DAFF investigation included assessment of records held by DAFF for the consignment, information provided by Wellard and video footage of reportedly taken at the facility during, and immediately after, the first cull.

3.1. DAFF Request for Information from Exporter

In accordance with s2.44(4) of the *Export Control (Animals) Order 2004*, the Secretary may approve an SCAS subject to a condition. A condition of SCAS approval is that the exporter must provide to DAFF any additional information that DAFF requires. As such, DAFF sent a formal letter to Wellard requesting specified information relevant to the investigation. All information requested was supplied to DAFF by Wellard.

3.2. Investigation Focus

The focus of the investigation was to determine if:

1. Wellard complied with the conditions of the NOI, CRMP and SCAS approval
2. OIE animal welfare recommendations were met
3. the Secretary should take regulatory action against Wellard Rural Exports.

4. Investigation Findings

4.1. Assessment of DAFF records and Information Provided by Wellard

DAFF reviewed the documentation submitted by Wellard for this consignment and the NOI, CRMP and SCAS approval conditions against the information provided by Wellard to determine if the conditions of approval were complied with. The assessment found that Wellard complied with all conditions of approval of the NOI and CRMP. The assessment also found that Wellard complied with the conditions of approval for the SCAS, except during the time when the Pakistan authorities took control of the sheep.

¹ Further information on the SCAS framework is available on the DAFF website at <http://www.daff.gov.au/biosecurity/export/live-animals/livestock/scas>.

In addition to this the investigation identified instances where risks to personal safety prevented Wellard staff, industry representatives or the IMO from attending the PK Livestock supply chain as they were required to do by the ESCAS approval conditions. Appendix 2 provides a chronology that shows the dates when Wellard failed to meet these specific conditions.

4.2. Contingency Plan

Under section 2.42 of the *Export Control (Animals) Order 2004*, the CRMP must contain a declaration that the exporter has risk management plans in place for rejection of the consignment by an overseas market. In line with the CRMP, Wellard initiated its contingency plan to find an alternative market following the delayed unloading of livestock in Bahrain. On that basis, the investigation found that Wellard did have a risk management plan in place in the event of rejection of the consignment by an overseas market.

4.3. Approval of NOI, CRMP and ESCAS Variation

DAFF assessed the documentation submitted by Wellard on requesting the variation to the NOI, CRMP and ESCAS. The documentation included a valid import permit issued by the Government of Pakistan. DAFF's assessment of the documentation determined that the request to vary the NOI, CRMP and ESCAS met the requirements for approval outlined in the *Export Control (Animals) Order 2004*. Among other things, the documentation demonstrated that the sheep met the Pakistan importing country requirements and that Pakistan authorities confirmed that the health certification provided by Australia was acceptable.

4.4. Assessment of Video Footage

DAFF veterinary officers assessed the video footage of sheep handling and slaughter against the OIE animal handling and slaughter recommendations in the *Terrestrial Animal Health Code*. The assessment determined that the slaughter of sheep shown in the footage was not compliant with OIE animal handling and slaughter recommendations.

5. Investigation Conclusions

5.1. Did Wellard comply with the conditions of its NOI, CRMP and ESCAS approval?

The investigation concluded that Wellard complied with the conditions the NOI, CRMP and ESCAS approval except when risks to personal safety or intervention by Pakistan authorities prevented Wellard from doing so.

5.2. Were OIE animal welfare recommendations met?

The investigation concluded that the handling and slaughter of sheep shown in the video footage of the first cull was not compliant with the OIE's animal welfare recommendations.

5.3. Should the Secretary take regulatory action against Wellard Rural Exports?

The investigation concluded that intervention by the Pakistan authorities and accompanying armed police was beyond the control of Wellard and could not have been avoided through the exercise of all due care.

The Secretary should treat the outcomes of the investigation as relevant information per 2.44(2B)(b)(ii) for the purposes of approving any future ESCAS applications for Pakistan under 2.44(2A) of the *Export Control (Animals) Order 2004*.

However, the Secretary does not have reasonable grounds on which to take other regulatory action against Wellard.

5.4. DAFF Regulatory Response

Control of ESCAS is achieved through either vertical integration of supply chains or commercial agreements between entities in the supply chain. The investigation considers that, intervention by Pakistan authorities is outside the scope of the ESCAS regulatory framework to manage.

The livestock export industry has voluntarily suspended the export of slaughter and feeder animals to Pakistan. DAFF supports this position.

The animal handling and slaughter activities, related to the first cull of the sheep in this consignment, were not compliant with OIE animal welfare recommendations and DAFF considers that the non-compliances were serious in nature. This is information that the Secretary may consider when deciding whether to approve an ESCAS for Pakistan. Due to the seriousness of the outcomes, the Secretary may require significant assurances to be satisfied that any proposed ESCAS application for export to Pakistan would meet OIE animal welfare recommendations.

Appendix 1 – Abbreviations and Acronyms

CRMP	Consignment Risk Management Plan
CVO	Chief Veterinary Officer
DAFF	Department of Agriculture, Fisheries and Forestry
ESCAS	Exporter Supply Chain Assurance System
IMO	Independent Monitoring Officer
NOI	Notice of Intention To Export
OIE	World Organisation for Animal Health (Office International des Epizooties)
UAE	United Arab Emirates

Appendix 2 – Chronology of Key Dates and Activities with Wellard Consignment to Pakistan

DATE	ACTIVITY
2 and 3 August 2012	Ocean Drover commenced loading at Fremantle, Western Australia.
4 August 2012	Ocean Drover completed loading of approximately 75,000 sheep and 72 cattle at Fremantle, WA.
	Ocean Drover departed Fremantle, WA.
15 August 2012	Vessel arrived Muscat, Oman, completed unloading of sheep and departed.
17 August 2012	Vessel arrived at Doha, Qatar.
20 August 2012	Vessel completed unloading of sheep and cattle in Doha, Qatar, and departed.
21 August 2012	Vessel arrived at Manama, Bahrain, and an initial livestock inspection of the livestock was conducted.
22 August 2012	Vessel was requested to vacate port pending formal permission to discharge the sheep.
	Wellard commenced discussion of contingency arrangements with DAFF, including Pakistan. DAFF and Wellard in daily communication.
23 August 2012	Vessel moves outside Manama Port Limit, Bahrain.
24 August 2012	The Pakistan Ministry of National Food Security & Research issues import requirements to the importer for the consignment
	Wellard provides first information regarding Pakistan supply chain to DAFF. Discussion about the ESCAS continues between Wellard and DAFF over next few days.
29 August 2012	Vessel docked in port at Bahrain for independent inspection of livestock.
30 August 2012	Vessel asked to depart port pending formal permission to discharge the sheep.
31 August 2012	DAFF sought confirmation from Pakistan authorities that the Australian health certificate was in accordance with the import requirements and acceptable to Pakistan.
	The Pakistan Ministry of National Food Security & Research replied with proposed minor (typographical) amendments.
1 September 2012	Last of the Wellard ESCAS documentation submitted to DAFF to enable DAFF assessment of the request to vary the NOI, CRMP and ESCAS.
	Request to vary the NOI, CRMP and ESCAS approved by DAFF.

DATE	ACTIVITY
	DAFF issued an Australian Health Certificate in accordance with the Pakistan import requirements.
3 September 2012	Vessel arrived at Port Qasim, Pakistan.
4 September 2012	Unloading commenced following inspection of animals by Pakistan veterinary health officials. The animals were confirmed as meeting Pakistan importing country requirements.
5 September 2012	Completed unloading of sheep at Port Qasim, Pakistan, at 9:52 pm Pakistan time (early hours of 6 September Australian time).
6 September 2012	Local news channel reported that Bahrain had rejected shipment due to disease.
7 to 8 September 2012	Veterinarians representing various Pakistan authorities attended PK Livestock and collected laboratory diagnostic samples.
8 to 10 September 2012	Risks to personal safety prevented industry representative and IMO from attending supply chain. Wellard personnel present at supply chain. Daily report and documentation verified by IMO incorporating information from Wellard personnel.
9 September 2012	Further blood sampling of livestock by veterinarians representing various Pakistan authorities.
11 to 13 September 2012	Risks to personal safety prevented industry representative and IMO from attending the supply chain or from moving about the facility. Daily report and documentation verified by IMO incorporating information from Wellard personnel.
14 September 2012	Risks to personal safety prevented IMO from attending the supply chain. Daily report and documentation verified by IMO incorporating information from industry representative and Wellard personnel.
15 September 2012	Reports appeared in Pakistan media claiming that the sheep were infected with various diseases.
	Risks to personal safety prevented IMO from attending the supply chain and no daily report was completed.
16 September 2012	Pakistan authorities attended facility to collect more samples from livestock.
	Armed police ordered Wellard and PK Livestock personnel to leave the facility. Culling of the sheep commenced.

DATE	ACTIVITY
	IMO, Wellard personnel and industry representatives were not permitted access to the facility. No daily report was completed.
17 September 2012	Wellard self reported loss of control of supply chain to DAFF.
	Cull of sheep continues.
	IMO, Wellard personnel and industry representatives were not permitted access to the facility. No daily report was completed.
18 September 2012	Exporter and importer commenced a legal challenge in Pakistan's Sindh High Court to attempt to cease the cull.
	IMO, Wellard personnel and industry representatives were not permitted access to the facility. No daily report was completed.
19 September 2012	Cull of sheep continues.
	Australian Chief Veterinary Officer (CVO) emailed Pakistan CVO regarding significant concerns with cull, advice regarding health and welfare of the sheep and offering to discuss any concerns. The Australian CVO followed this email with phone calls but was unable to contact the Pakistan CVO.
	A representative from Australian High Commission in Islamabad, Pakistan and an independent veterinarian (from OIE accredited laboratory in United Arab Emirates) attended the facility to inspect the sheep.
	IMO and industry representative restricted in their movements about the facility. Incomplete daily report provided to DAFF.
20 September 2012	Australian CVO sent a letter to the OIE requesting assistance to ensure that the welfare of sheep was maintained until the issue about the health status of the sheep was resolved.
	Independent veterinarian (from OIE accredited laboratory in UAE) attested that the sheep were healthy.
	Proceedings in Sindh High Court continued.
	DAFF met with Pakistan's High Commissioner and raised concerns about the sheep consignment.
	IMO, industry representative and Wellard personnel restricted in their movements within the facility. Incomplete daily report provided to DAFF.
21 September 2012	Representative of Australian High Commission attended Sindh High Court hearing.

DATE	ACTIVITY
	IMO, Wellard personnel and industry representatives were not permitted access to the facility. No daily report was completed.
22 September 2012	Independent veterinarian (from OIE accredited laboratory in UAE) returned to Pakistan to attend court case and re-inspect the livestock at the facility.
	The Sindh High Court upheld the application for injunction to cease the culling and to ensure the sheep were cared for in the facility.
	Wellard regained control of supply chain and resumed daily reporting. Wellard reported that the remaining sheep in the facility were in good condition and were not displaying signs of disease.
25 September 2012	A representative of the Australian High Commission met with the Pakistan Minister for National Food Security and Research.
28 September 2012	Australian CVO liaised with the Australian High Commission providing details of inspection procedures for the export of sheep for slaughter from Australia.
	Sindh High Court ordered an independent assessment of the health status of the sheep. Samples were collected for testing at the independent and internationally accredited laboratory, the Pirbright Institute in the United Kingdom. Court case adjourned until 19 October 2012.
30 September 2012	Samples collected from sheep for testing at the Pirbright Institute.
2 October 2012	Wellard advised that the samples arrived at the Pirbright Institute.
10 October 2012	Australian High Commission made representations to Pakistan authorities that any future cull of Australian exported animals ought to be conducted in an efficient and humane manner in line with international standards.
12 October 2012	Sindh High Court resumes hearing following receipt of negative tests for Bluetongue, Peste des petite ruminants, and Foot and Mouth Disease at Pirbright laboratory. Court adjourned until 17 October.
17 and 18 October 2012	Sindh High Court hearing adjourned on 17 October until 18 October.
19 October 2012	Wellard announced that an agreement was reached between the importer and Pakistan authorities. The importer withdrew the injunction petition with Sindh High Court.
	Pakistan authorities assumed control of the facilities and recommenced culling.

DATE	ACTIVITY
	<p>Wellard reported loss of supply chain control to DAFF.</p> <p>IMO, importer and exporter representatives were not permitted to enter facility. Incomplete daily report provided to DAFF.</p>
	<p>On hearing of the recommenced cull, the Australian High Commission contacted Pakistan authorities (Ministry of National Food Security and Research) and emphasised that any culling must be conducted in an efficient and humane manner in line with international standards.</p> <p>Ministry provided assurances to humanely and efficiently cull the remaining sheep within 24 hours.</p>
20 October 2012	IMO, importer and exporter representatives were not permitted to enter facility. Incomplete daily report provided to DAFF.
21 October 2012	IMO reported that no Australian sheep were observed alive at the PK Livestock facility.