

**REPORT TO THE MINISTER FOR AGRICULTURE, FISHERIES AND FORESTRY,
THE HON. TONY BURKE M.P. ON THE IMPLEMENTATION OF THE CALLINAN INQUIRY**

(No. 4, MARCH 2010)

Background

Following receipt of the final Import Risk Analysis (IRA) Report for Horses from Approved Countries, I am now pleased to provide you with this my fourth report. It has been informed by my discussions in February 2010 with senior officers from Biosecurity Australia (Dr Robyn Martin, General Manager, Animal Biosecurity); the Office of the Chief Veterinary Officer (Dr Andy Carroll, Chief Veterinary Officer (CVO) and Dr Graeme Garner, Manager, Epidemiology Program); the Australian Bureau of Agricultural Research Economics (Bruce Bowen, General Manager, Agriculture); and Biosecurity Services Group (BSG) (Ms Lee Cale, Acting General Manager, Animal Quarantine and Export Operations and Dr Helen Walker, Manager, Horse Imports Program). I also benefited from discussions with the new Deputy Secretary of the Department of Agriculture, Fisheries and Forestry's (DAFF) BSG, Ms Rona Mellor and the Departmental Secretary, Dr Conall O'Connell.

I was provided with a copy of the draft horse IRA and the 12 submissions of response. I have now received the final IRA report and associated documents. As indicated above, I have also had access to the monthly progress reports on Implementation of Government Response to the Callinan Inquiry and a range of other departmental documentation.

In November 2009, I had a meeting with a delegation from Racing Victoria Ltd led by the CEO, Mr Rob Hines. Following that meeting I also received copies of correspondence from both Mr Hines and Mr Paul O'Callaghan, Racing Victoria Ltd Chief Veterinary Officer.

I have continued to receive highly professional support from DAFF through Ms Jemma Martin, Acting Manager of the Biosecurity Secretariat. On the occasions that I have asked for further information it has been provided in a timely fashion. I thank the department for that willing assistance.

Overview

Since my third report I am pleased to report that continuing progress has been made with the implementation of the administrative response to the Callinan Inquiry. Most deliverables of the Equine Influenza Inquiry Response Project (EEIRP) have now been completed, including most recently the horse IRA. There are only two outstanding matters of which I am aware:

First, the upgrade to the Eastern Creek Quarantine Station is ongoing. The improvements were intended to be completed by June 2010. Some slippage has occurred due to funding pressures but half of the renovations will have been funded this financial year with the remaining upgrades to be finalised in 2011. The Horse Industry Consultative Committee (HICC) is also exploring how to upgrade the facility's veterinary and surgical equipment.

Second, the proposed renovations to the horse facilities at Spotswood Quarantine Station have been put on hold, given that use of Spotswood for horses has been suspended. A final decision

on whether to proceed with upgrades at Spotswood will be made when the suspension is considered by the HICC in April 2010.

I attach a detailed overview of progress against each of the EEIRP goals.

Keeping it simple

In a recent letter to yourself (17 March 2010) Mr Rob Hines noted the challenge of ensuring *'that quarantine protocols are effective but not unnecessarily onerous'*. It is a difficult balance to strike.

One key element is to ensure that the administrative guidelines do not impose a regulatory burden on horse importers beyond that which is necessary to minimise the risk of another devastating outbreak of equine influenza. My key interest has been to assure myself that the new arrangements are no more burdensome than is necessary and that they are communicated to stakeholders in a clear and transparent manner.

With this in mind I have read carefully the Pre-export Quarantine (PEQ) Facility Model Standard Operating Procedures Manual for the Importation of Horses into Australia distributed on 14 September 2009. The document provides a format for exporters that is recommended but not compulsory.

I was favourably impressed by the clarity with which complex information is conveyed. Whilst necessarily detailed (55 pages) it is generally free of bureaucratic language and acronymic shorthand. It provides clear guidance on how facilities can take a risk-based approach driven by analyses of potential hazards and how they need to be managed and controlled. It is unambiguous on which conditions need to be met in all parts of the operation of a PEQ facility, including monitoring the health of the horses. All the necessary forms are included and, where necessary, examples provided. It is, in my view, a model document.

Ensuring compliance

There is an ever-present danger that bureaucracies seek to judge the effectiveness of a program by the detailed prescription of its guidelines. The real compliance challenge is to ensure that implementation of procedures is enforced in a systematic manner.

For that reason I have examined the processes set in place to provide assurance that personnel are being trained, and their procedures monitored, in an ongoing manner. It is vital that the verification audits of work instructions undertaken on 7 January 2009 and 4-5 March 2009 are continued on a regular basis. Almost certainly the most likely cause of another outbreak of equine influenza will be because someone carelessly or unknowingly breaches the improved arrangements that are to be followed in transporting horses to Australia. Such periodic checks also allow any new biosecurity risks to be identified. I am advised by the department that a verification of horse imports into Sydney will be conducted before the end of the 2009-10 financial year.

The verification schedule for the horse implementation program of 2009-10 provides for both a desk and site audit of Sandown Quarantine Station to ensure that those private facilities comply with AQIS import requirements. The audit of Sandown Quarantine Station has been completed and I have been provided with a copy of the audit report. Another useful mechanism for

ensuring the continued effectiveness of quarantine procedures is to have trained staff accompany consignments of horses from their overseas PEQ facilities to their arrival in Australia. Such reviews were completed for horses sent from the United Kingdom and the United States in 2009. In February 2010, the procedure was repeated for horse imports from Germany. Such scrutiny, while costly, enables the transportation process to be scrutinised in detail and any necessary changes to import requirements to be identified.

I understand that the Australian National Audit Office (ANAO) is also examining the management of the arrival of animals into Australia, due to be completed in May 2010. This audit will exclude horses due to the array of other external reviews of horse biosecurity measures. When completed, the ANAO report will provide a useful independent assessment of the effectiveness of the breadth of biosecurity measures that are in place for managing imports of live animals and animal genetic material into Australia.

The impact of the IRA on horses

On 24 March 2010, you issued a media release announcing the Director of Animal and Plant Quarantine's policy determination on the importation of horses from approved countries. This follows completion of the IRA by Biosecurity Australia with the assistance of an expert panel. The final IRA report takes into account 12 stakeholder comments on the draft, including a number of technical submissions. In a letter of 1 February 2010, Racing Victoria Ltd, on behalf of the Australian Racing Board, described the draft IRA as '*a commendable review of exotic disease threats [which] ... should support the introduction and maintenance of policies that protect the health of all Australian horses*'.

With respect to equine influenza the IRA recommends a number of minor changes to the diagnostic testing requirements. These should provide a small amount of flexibility for collecting samples while providing high levels of assurance that equine influenza will be detected.

Significantly, the minimum time horses are to be kept in pre-export quarantine in the exporting country has been reduced from 21 days to 14 days. The report recommends, however, a continuation of the 21 day post-arrival quarantine period. In meeting with officials from Biosecurity Australia, Racing Victoria Ltd argued that such a period was not scientifically necessary. The final IRA report recommends a modification that will allow horses arriving from the same region to be in post-arrival quarantine for only 14 days, although mixed consignments of horses from different regions will still be required to serve 21 days

As per the government's response to the Callinan recommendation 35, a review of the IRA will be completed in two years' time.

Imports from Japan

The suspension on the import of race horses from Japan, particularly for the Melbourne Spring Carnival, has been a particular source of frustration for Victorian Racing. I have sought to assure myself that everything necessary is being done to allow horse imports in the near future, particularly given the tight timeframes for quarantine protocols to be implemented if trainers are to start preparing Japanese horses by June for entry this year.

Australia's Agricultural Counsellor in Tokyo discussed the issue of the IRA at a meeting with the Japan Ministry for Agriculture, Forestry and Fisheries (MAFF) on 1 December 2009 (at which a

copy of the draft IRA was handed over). On 14 December 2009, Biosecurity Australia wrote to MAFF and suggested areas in which action will likely be required if Japan is to meet the proposed import requirements. As yet no formal reply has been received although the Agricultural Counsellor received a question from MAFF on 19 January 2010 regarding one of the draft requirements. Separately, the CVO, Dr Andy Carroll, has provided a copy to his Japanese counterpart. MAFF and the Japanese CVO have been advised of the horse IRA policy determination.

It is now important that Japan ensures that it implements suitable arrangements. Quarantine facilities need to be selected and standard operating procedures set in place. AQIS will then need to visit Japan to inspect and approve the PEQ facilities. Biosecurity Australia will also need to visit Japan to review PEQ activities for at least the first consignment of horses. To help expedite this process I understand that Racing Victoria Ltd has contacted the Japan Racing Association, which has indicated that it is working with MAFF, to finalise its submission on preferred quarantine facilities in Japan.

The costs of quarantine

The suspension of horse quarantine at Spotswood has allowed DAFF to hold down the increases in fees charged to importers. Nevertheless costs have been raised considerably. New fees of \$196 per day were introduced on 1 December 2009 (compared to \$65 previously). The fees include the need to repay a \$1 million program deficit over three years.

The new fee is applicable to all horses regardless of end use. I support this approach. Quarantine costs are the same for all horses and there is no basis under the Commonwealth Government's cost recovery guidelines to have a different fee structure for different types of horses.

It has been suggested to me that importers may be able to circumvent these increased costs by bringing horses to Australia via New Zealand. Horses being imported from New Zealand, if conditions are met, are not subject to a quarantine period. In effect, horses can be brought into New Zealand, remain in the country for 14 days and then be exported to Australia.

I believe that this is unlikely to be a route followed by many. New Zealand's only operating horse quarantine facility at Karaka in Auckland is privately operated by the horse air freight company IRT. The costs are met by industry. It has a capacity for only 18 horses. I am doubtful that in most cases it would be economical to bypass Australia's quarantine fees in this manner.

More worrying is what will be the impact on horse fees if the import of horses decreases significantly. The overall cost of horse imports is largely fixed, especially in property and accommodation expenses, and would need to be spread over a smaller number of horses. The present fees are based on the deficit being repaid by 30 June 2012 if 600 horses are imported annually.

Estimates made for me by departmental officers suggest that, if Spotswood Quarantine Station remains closed for horses, and only 500 horses were imported, daily fees would need to be increased to approximately \$235 to meet costs and repay the debt. If numbers fell to 400 horses, the daily fee would have to be set at approximately \$295.

At the moment, import numbers appear to be declining. From a high in 2006-07 of 854 horses, numbers fell to 661 in 2007-08 and to 625 in 2008-09. In the first eight months of 2009-10 only 296 horses had been imported. This is a trend that needs to be carefully monitored. There is a risk that declining horse numbers will lead to higher fees which will, in turn, further reduce horse numbers.

The economics of prevention

It needs to be emphasised that only a small proportion of the increased costs facing horse importers is a direct result of the enhanced quarantine arrangements. The debt to be repaid is significantly less than the total level of underpayment made by horse importers in the years before the outbreak of equine influenza in 2007. Indeed, one of the major benefits of the Callinan Inquiry has been to focus DAFF on calculating the true cost of horse quarantine and to recognise the level of cross-subsidies that used to occur from the fees paid by importers of other animals.

It is true that the imposition of additional quarantine measures to manage the risk of equine influenza more effectively makes a modest contribution to the increased costs now borne by horse importers. The increased costs are a relatively small price to pay for managing significant risk prudently. A study undertaken by ABARE for the Primary Industries Ministerial Council (PIMC) indicates that the cost of prevention (predominantly through controlling the probability of an equine influenza incursion) is very much smaller than the cost of any national response to such an outbreak (even when the costs are spread over a 20 year period).

Conclusion

My next report will be my final one. I will, as normal, be fully briefed by departmental representatives. I will also attend the meeting of the HICC in April 2010 to seek their views on any outstanding issues.

At this stage I am confident that I will be able to provide assurance that the government has ensured that all of the recommendations of the Callinan Inquiry have been implemented. Of course, even with such improved administration, it is impossible to ensure that a further outbreak of equine influenza will not occur at some point in the future as a result of horse importation.

I remain concerned that, in such an unfortunate circumstance, it will not be possible to fund an effective national response in the absence of an emergency response agreement with the horse industry underpinned by an agreed levy mechanism. The failure of legislation to gain the necessary level of Senate support has significantly exacerbated the challenge of dealing successfully with an outbreak of equine influenza if prevention fails. In such circumstances, the Commonwealth has indicated that it will not underwrite another emergency response. This is a dire prognosis that means industry will have to protect itself.

For that reason it is entirely appropriate that the PIMC continues to consider whether vaccinations for equine influenza in the absence of disease should be disallowed, voluntary or mandatory. A decision to allow voluntary pre-emptive vaccination because of the potential masking effects of vaccination may delay detection and therefore may limit response options in the event of an incursion. Nevertheless Australia faces the risk, if significantly improved quarantine procedures fail, that equine influenza could become endemic in the absence of a

nationally-coordinated control program. With this in mind, I am sympathetic to the arguments of the thoroughbred racing industry that it has a right to protect itself from the impacts of an outbreak through a vaccination program. Although, I am aware there are divided views across government and industry on this complex issue. I support your position that in the absence of an emergency response agreement with the horse industry, horse industry sectors should be able to use voluntary pre-emptive vaccination against equine influenza. Therefore, I await with interest the outcomes of PIMC's discussion of this issue at its meeting in April 2010.

There will be a number of specific matters that I will wish to cover off in my final report to you, from staff training to compliance verification. Most important, however, the report will present an opportunity to provide you with my views on the appropriate level of horse biosecurity activities, within the necessarily limited funding that is available for the wider range of biosecurity priorities. The Callinan Inquiry has necessitated that the issues of horse quarantine arrangements have been the focus of a great deal of public service attention. Without in any way diminishing the effectiveness of the new administrative arrangements that have been set in place, it is important to set those responses within the broader context of Australian biosecurity. This I will endeavour to do. I will also seek to provide you with my views on what level of ongoing independent assurance will be required once I have finished my oversight of the implementation.

Prof. Peter Shergold

29 March 2010

ATTACHMENT A: SUMMARY OF PROGRESS

1FR-1 Updated Quarantine Act 1908 Due: On-going – 1st milestone – 15 Sept 2008 2nd milestone – 27 Apr 2010

This deliverable had been completed. The first milestone relating to the interim fees for horses at government quarantine stations has been met. The Minister for Agriculture, Fisheries and Forestry signed the Quarantine Service Fees Determination 2005 on 5 September 2008, to give effect to recommendation 38. The fee for thoroughbred stallions temporarily imported into Australia was increased to \$165 a day and the fee for all other horses is \$65 a day.

The second milestone relating to the quarantine fees for horse imports has been met. On 12 November 2009 the minister approved amendments to the Quarantine Service Fees Determination 2005 to increase horse quarantine fees to \$196 a day. The new fees came into effect on 1 December 2009.

As advised previously, the government released the Quarantine and Biosecurity Review report and the government's preliminary response on 18 December 2008. The Quarantine and Biosecurity Review report recommended that a new Biosecurity Act be drafted to replace the *Quarantine Act 1908* and called for the appointment of an Interim Inspector General of Biosecurity to undertake independent audits of the biosecurity continuum. The report also recommended that the role of the Interim Inspector General of Horse Importation be subsumed within the Interim Inspector General of Biosecurity. The government has given 'in-principle' agreement to each of these recommendations.

In light of the release of the Quarantine and Biosecurity Review recommendations, this Equine Influenza Inquiry Response Project (EIIRP) deliverable - 1FR-1 Updated Quarantine Act 1908 – has been amended and the components relating to the 'Powers for the Inspector General of Horse Importation' and 'Powers for AQIS officers' will now be subsumed into the implementation of the Quarantine and Biosecurity Review recommendations. The Australian Quarantine and Inspection Service (AQIS) Legislation Review Unit has been provided with a copy of the report identifying powers required by Quarantine Officers (see deliverable 3RR-8) to assist in the development of the new biosecurity legislation.

1FR-2 Updated Horse Import Budget Due: Feb 2010

This deliverable has been completed. The Horse Import Program completed a comprehensive review to develop the 2009-10 budget that was approved by the department's Biosecurity Executive Leadership Group. The 2009-10 budget takes into account the changes to staffing levels and other expenditure associated with implementing the new work procedures for horse imports and the interim upgrades of facilities at the quarantine stations. The Horse Import Program will continue to work with industry to ensure the necessary resourcing levels are maintained to manage biosecurity risks and that the program budget is being managed efficiently.

1FR-3 Updated Import Conditions**Due: On-going – 1st milestone – 18 Oct 2008
2nd milestone – 11 Jan 2010**

The first and second milestones have been met. On 18 September 2008, Biosecurity Australia announced revised interim quarantine measures for permanent and temporary imports, and re-importation for all countries from which Australia allows horse imports. The revised interim quarantine measures incorporate recommendations and findings from the Equine Influenza Inquiry report such as horse testing times, blood samples and vaccines. AQIS has updated all import conditions to reflect the new interim quarantine measures as well as other measures recommended by the Equine Influenza Inquiry report including the provision of sufficient evidence of certification.

Permanent import conditions have been updated for horses from the United States (USA), member states of the European Union (EU), United Arab Emirates (UAE), Singapore, Hong Kong, Macau, Canada and Switzerland. Temporary (for racing) import conditions have also been updated for imports from these countries and re-importation conditions have been updated for horses travelling to the UAE, Hong Kong, Macau and Singapore for competition. This represents all countries from which horses are currently being imported into Australia.

On 13 January 2010, Biosecurity Australia advised AQIS that the vaccine requirements in the interim quarantine measures are still applicable, following its annual review of vaccine requirements for equine influenza. This review and any associated changes to import conditions represent the second milestone for this deliverable. The final milestone will be met shortly. With completion of the horse IRA (3RR-4 Import Risk Analysis Review Report), Biosecurity Australia will be contacting counterparts in approved countries to update the conditions in line with the final IRA report recommendations.

1FR-4 Updated AQIS Instructional Material**Due: On-going -
1st milestone – 16 Jan 2009
2nd milestone – 26 Oct 2010**

This deliverable has been completed. Initial updates (first milestone) to all AQIS instructional material relating to the importation of horses has been reviewed and updated in consultation with AQIS regional staff, Biosecurity Australia and industry stakeholders. The updated instructional material has been placed on the AQIS intranet.

Further amendments to the AQIS instructional material (second milestone) have been completed following receipt of the Expert Group, Biosecurity Australia and the Interim Inspector General for Horse Importation reports. A workshop was held between Canberra and regional staff on 13 May 2009, to discuss the findings and recommendations from the reports and to make the relevant changes to instructional material. The revised instructional material is on the AQIS Instructional Material Library intranet site and readily accessible to all program staff. Further updates to instructional material will occur as required.

1FR-5 Other Airports and Ports Arrangements**Due: 10 June 2010**

This deliverable has been completed. A protocol for the arrival of horses at ports other than Sydney and Melbourne was finalised at the Horse Industry Consultative Committee meeting on 22 April 2009.

2P-1 Appointed Interim Inspector General of Horse Importation Due: 1 Sept 2008

This deliverable has been completed. Dr Kevin Dunn has been appointed as the Interim Inspector General of Horse Importation.

2P-2 Appointed Inspector General of Horse Importation Due: 28 Jan 2009

As mentioned previously under 1FR-1 the Quarantine and Biosecurity Review Panel recommended the establishment of a statutory office of the Inspector General of Biosecurity, which would subsume the functions recommended by Commissioner Callinan for the Inspector General of Horse Importation. The government agreed in-principle to this recommendation.

As part of its preliminary response to the review and ahead of a statutory appointment, the government appointed Dr Kevin Dunn as the Interim Inspector General of Biosecurity on 1 July 2009. This role had subsumed that of the Interim Inspector General of Horse Importation.

2P-3 Appointed Officer Responsible for Horse Imports Due: 26 Jun 2008

This deliverable has been completed. On 20 June 2008, the Secretary of the Department of Agriculture, Fisheries and Forestry announced Dr Ann McDonald as the AQIS Officer Responsible for Horse Imports.

2P-4 Expert Group Established Due: 9 Aug 2008

This deliverable has been completed. An Expert Group on Horse Importation was established, chaired by the Australian Chief Veterinary Officer, Dr Andy Carroll, and comprising representatives from the Animal Health Committee, Australian Animal Health Laboratory and Equine Veterinarians Australia. Biosecurity Australia was an observer on the Expert Group. The Expert Group provided its report to the Executive Director of AQIS on 12 March 2009. The report is publicly available on the AQIS website.

2P-5 Appointed Import Risk Analysis (IRA) Team Leader**Due: 26 Jun 2008**

This deliverable has been completed. On 20 June 2008, the secretary announced Dr Mike Nunn as the team leader of the Import Risk Analysis for horse imports.

2P-6 Consultative Arrangements Established**Due 19 Aug 2008**

This deliverable has been completed. AQIS has established the Horse Industry Consultative Committee (HICC) comprising of representatives from the Australian Horse Industry Council, Australian Racing Board, Equestrian Australia, Australian Harness Racing, Thoroughbred Breeders Australia, Australian Veterinary Association, Racing Victoria Limited and Quarantine and Export Advisory Committee as well as major horse importers and airport representatives. The HICC has held meetings on 30 July and 28 October 2008 and 22 April and 21 October 2009. The terms of reference for the HICC and meeting minutes are available at: <http://www.daffa.gov.au/aqis/about/clients/consultative-committees/hicc>.

The Officer Responsible for Horse Imports held a meeting with state and territory Chief Veterinary Officers (CVOs) on 15 July 2008, to provide an overview of the government's response to the Equine Influenza Inquiry report and the EIIRP. It was agreed that AQIS would provide regular updates on the implementation of the government's response to the state and territory CVOs at Animal Health Committee meetings. AQIS provided updates to the committee in September 2008 and February and April 2009.

2P-7 Appointed and Trained AQIS Personnel**Due: On-going****1st milestone – 6 Aug 2008****2nd milestone – 15 Feb 2009****3rd milestone – 25 Nov 2009**

The first, second and third milestones have been met. Immediately following the release of the Equine Influenza Inquiry report a Horse Import Program was established in AQIS to implement the EIIRP and manage horse imports on a day-to-day basis. New staff were appointed and trained in the Canberra office and staffing levels at the quarantine stations were reviewed. Following this review, staff levels at Eastern Creek and Spotswood quarantine stations increased for the 2008-09 financial year to manage horse imports in accordance with revised work procedures.

As part of the 2009-10 budget development process and following recent updates to the instructional material for horse imports mentioned above (see 1-FR4), staffing levels in the Horse Import Program have been further reviewed and amended.

Soft copies of AQIS instructional material have been placed on the AQIS Instructional Material Library intranet site and hard copies of all material are located at premises where activities are performed. Staff have been advised of the location of both the soft and hard copies of instructional material. Staff currently undertaking horse importation activities are all trained. They are also aware of, and understand, the updated work procedures.

The horse import training package has recently been updated and in December 2009 was reviewed by the AQIS Learning and Development Unit as being 'highly effective'. Training in the updated horse imports material for new and existing AQIS quarantine officers is currently planned for February 2010.

2P-8 Trained/Informed Non-AQIS Personnel

**Due: On-going
1st milestone – 18 Oct 2008**

The first milestone has been met. AQIS has amended instructional material to make it a condition of entry for all non-AQIS personnel to a quarantine station to report any suspected breaches of quarantine procedures. All non-AQIS personnel entering government quarantine stations are briefed on the new procedures and sign a declaration agreeing to comply with all conditions of entry before they are authorised to enter. A new work instruction has been completed for security personnel at quarantine stations and Quarantine Station Managers have provided training to all security personnel to inform them of their duties and biosecurity risks.

AQIS has developed an accreditation process for non-AQIS personnel that attend to horses at the quarantine stations regularly, including grooms, farriers and vets. The accreditation process requires non-AQIS personnel to attend training and information sessions and will cut down on paperwork for these personnel and AQIS. To date, training was provided to non-AQIS vets in June 2009 and to industry grooms in August and October 2009. The vets and grooms who have successfully completed the training have been accredited.

3RR-1 Pre-export Quarantine Review Report

Due: 28 Feb 2009

This deliverable has been completed. Biosecurity Australia provided a report to the Executive Director of AQIS and the Officer Responsible for Horse Imports on 27 February 2009. The report was completed after Biosecurity Australia reviewed activities while horses were in pre-export quarantine in United Kingdom (UK), Ireland, Germany, USA, UAE, Singapore, Hong Kong and Macau. Further reviews will be undertaken for pre-export quarantine in other regions and countries than those already inspected. Biosecurity Australia has accompanied a consignment of horses from ports of export in the EU (UK and Germany) and USA to arrival in Australia and is organising to accompany a consignment from another port of export in the EU (Germany).

3RR-2 Interim Quarantine Measures Review Report

Due: 18 Sept 2008

This deliverable has been completed. Biosecurity Australia has amended the conditions for the importation of horses for the USA, Canada, Member States of the EU, UAE, Macau, Hong Kong and Singapore to include a requirement to take a blood sample while a horse is in post-entry quarantine. The conditions include a requirement that the importer must arrange for part of the

sample to be retained in the country of export and another part of the sample to be transported to Australia.

All countries, with the exception of the USA, exporting horses to Australia advised that testing for equine influenza virus within four days of export is the shortest time interval. The USA was testing within seven days of export. The USA has recently advised that testing can occur within four days of export.

3RR-3 Post-arrival Quarantine Review Reports

Due: 28 Feb 2009

This deliverable has been completed. Two post arrival quarantine review reports have been finalised and submitted to the Executive Director of AQIS. Firstly, the Expert Group submitted its report on post-arrival facilities at the airports and quarantine stations to AQIS on 12 March 2009. Secondly, Biosecurity Australia submitted its report on post-arrival quarantine procedures and activities to AQIS on 31 March 2009.

In relation to the PAQ procedures and activities, Biosecurity Australia considers the current quarantine requirements and processes for the importation of horses meet Australia's appropriate level of protection but has made recommendations to simplify some arrangements while managing the biosecurity risks. A total of 35 recommendations were made. A key recommendation is that agents, importers or owners sign a declaration before importation acknowledging that they are aware of AQIS requirements and the biosecurity and animal welfare risks associated with importing horses into Australia.

In relation to the Expert Group Report, 17 recommendations were made to improve biosecurity and animal welfare measures at Sydney and Melbourne airports as well as Eastern Creek and Spotswood quarantine stations. The response to the report has been finalised and work has been completed to improve the showering arrangements at Eastern Creek Quarantine Station. The showering arrangements were a particular concern of the Expert Group.

In preparing its report, the Expert Group met with industry stakeholders, AQIS regional staff and inspected facilities at Melbourne and Sydney airports and Spotswood, Eastern Creek and Sandown quarantine stations between November 2008 and January 2009. The Chairman of the Expert Group also met with industry and AQIS staff on 19 February 2009 to discuss the draft report before it was finalised and submitted to the Executive Director of AQIS.

3RR-4 Import Risk Analysis (IRA) Report

Due: 17 Jan 2010

The Director of Animal and Plant Quarantine's policy determination was announced on 24 March 2010. This follows completion of the IRA of horses from approved countries.

The Chief Executive of Biosecurity Australia announced the formal commencement of the IRA on 30 September 2008. The IRA panel first met on 19 December 2008 to progress the IRA. The panel held several meetings in 2009 and progressed risk assessment disease chapters and

considered risk management options. A draft IRA report was released for public comment on 30 November 2009.

Submissions from 12 stakeholders were received on the draft IRA report and these were considered in finalising the IRA. Under the non-regulated IRA approach there was no appeal opportunity for this IRA process.

The import of horses from Japan was considered as part of the IRA. To progress this matter, two officers from Biosecurity Australia visited Japan in July 2009 to review quarantine arrangements and gain further information on surveillance for equine influenza, vaccination, epidemiological investigations into the initial introduction of equine influenza virus into Japan and certification procedures. Biosecurity Australia also wrote to Japan in December 2009 to outline the steps for imports to resume once the IRA has been finalised.

3RR-5 Interim I-G HI Report to the Minister

Due: 29 Apr 2009

This deliverable has been completed. The Interim Inspector General of Horse Importation submitted his audit report on pre-export and post-arrival quarantine facilities and procedures on 29 April 2009. Since commencing his appointment on 19 September 2008, the Interim Inspector General has conducted inspections and audits of pre-export quarantine (PEQ) facilities in the UK, Ireland, Germany, Hong Kong, Macau, the UAE and the USA. He has also completed inspections and audits of post-arrival quarantine facilities in Australia including Eastern Creek, Spotswood and Sandown quarantine stations and the arrival processes and facilities at Sydney and Melbourne (Tullamarine) airports.

As mentioned previously, the functions of the Interim Inspector General of Horse Importation have been subsumed by the role of the Interim Inspector General of Biosecurity (see 2P-2 Appointed Inspector General of Horse Importation). Functions recommended by Commissioner Callinan for the Inspector General of Horse Importation have been incorporated into the work plan for the Interim Inspector General of Biosecurity.

3RR-6 Professor Shergold Review Reports

Due: On-going

1st milestone – 12 Oct 2008

2nd milestone – 11 Feb 2009

3rd milestone – 12 Jun 2009

4th milestone – 29 Mar 2010

5th milestone – June 2010

The first, second and third milestones have been met. This report represents the fourth milestone for this deliverable.

3RR-7 Horse Import Fee Review

Due: 24 Jan 2010

This deliverable has been completed. The Horse Import Program has finalised a comprehensive fee review to ensure full recovery of quarantine costs and to address the current program deficit. AQIS worked closely with stakeholders on possible options for changes to the horse import fees including at the latest HICC meeting in October 2009. Horse importers advised AQIS that their preference was to keep quarantine fees to a minimum and to do so they would cease using Spotswood Quarantine Station. Horse importers indicated that they were unwilling to pay the costs necessary to maintain two quarantine stations.

As a result of this consultation and with the support of industry, AQIS suspended horse imports into Spotswood Quarantine Station in November 2009 and introduced the new horse quarantine fee of \$196 a day on 1 December 2009. The decision to suspend horse imports into Spotswood Quarantine Station will be reviewed by the HICC in April 2010.

3RR-8 ORHI Report to ED AQIS

Due: 24 Sept 2008

This deliverable has been completed. The National Manager, Animal Quarantine Branch, provided a report to the Executive Director of AQIS on 23 September 2008. The report made 11 recommendations to improve the ability of AQIS officers to enforce compliance with procedures, all of which were agreed to by the Executive Director on 23 September 2008.

As advised above, this report has been provided to the AQIS Legislation Review Unit to consider in drafting the new biosecurity legislation as recommended by the Quarantine and Biosecurity Review Panel.

4FA-1 Interim and Final Upgrade – Kingsford Smith

Due: 1st milestone – 18 Sept 2008
2nd milestone – 23 Feb 2010

This deliverable has been completed. Interim facilities at Sydney Kingsford Smith Airport have been upgraded with the installation of a shower block. This was completed before the first shipment of horses into Sydney after the Equine Influenza Inquiry on 31 July 2008.

Following the completion of the Expert Group report on post-arrival quarantine facilities, AQIS regional staff have held a preliminary meeting with representatives from Sydney Airport Corporation Limited (SACL) in May 2009 to discuss the Expert Group's findings and recommendations regarding installation of a pedestrian gate and covered area at the livestock transfer facility, as well as arrangements for cleaning airstalls at the airport. In September 2009 the Officer Responsible for Horse Imports also wrote to SACL regarding the findings and recommendations of the Expert Group report. In November 2009, SACL advised AQIS of funding issues concerning further upgrades to the livestock transfer facility as recommended by the Expert Group.

4FA-2 Interim and Final Upgrade – Tullamarine**Due: 1st milestone – 18 Sept 2008
2nd milestone – 23 Feb 2010**

This deliverable had been completed. Interim facilities at Melbourne (Tullamarine) Airport comprising showering facilities and fencing to corral horses have been established. The establishment of these interim facilities were completed before the first shipment of horses into Melbourne after the Equine Influenza Inquiry on 14 July 2008. In September 2009, the Officer Responsible for Horse Importation wrote to Melbourne Airport regarding the findings and recommendations of the Expert Group report. In October 2009, Melbourne Airport confirmed to AQIS that they had put in place measures to give effect to the recommendations of the Expert Group.

4FA-3 Initial and Final Upgrade – Spotswood**Due: 1st milestone – 18 Sept 2008
2nd milestone – 23 Feb 2010**

The first milestone has been met. Facilities at Spotswood Quarantine Station have been upgraded and include additional showers, an identified isolation stall for horses suffering from contagious or infectious diseases and lockable storage for chemicals, drugs and equipment.

To address the animal welfare issues at the government quarantine stations raised by the Expert Group, AQIS engaged Professor Ivan Caple to provide detailed advice on improvements to station facilities. Following an inspection and assessment of each quarantine station's facilities and discussions with AQIS and industry stakeholders, Professor Caple submitted his report to AQIS recommending numerous upgrades of facilities at Eastern Creek and Spotswood quarantine stations to improve animal welfare. AQIS has received costings for the work that is required at Spotswood Quarantine Station but has not proceeded with any upgrades at this stage due to the decision to suspend horse imports in the quarantine station. If a decision is made to lift the suspension AQIS will prioritise the work that is required to ensure a safe environment for horses.

4FA-4 Initial and Final Upgrade – Eastern Creek**Due: 1st milestone – 18 Sept 2008
2nd milestone – 23 Feb 2010**

The first milestone has been met. Facilities at Eastern Creek Quarantine Station have been upgraded and include showers, an identified isolation stall for horses suffering from contagious or infectious diseases, lockable storage for chemicals, drugs and equipment and 24 hour security presence.

Following the concerns of the Expert Group (as outlined in 3RR-3 above) AQIS has completed upgrades to the showering arrangements at Eastern Creek Quarantine Station. An existing building on the perimeter of the horse compound has been reconfigured with flow-through showers.

As outlined above, AQIS engaged Professor Caple to advise on animal welfare issues. AQIS has commenced a program of work to implement Professor Caple's recommendations to improve

horse welfare at Eastern Creek Quarantine Station. Due to budget constraints the recommended upgrades will be completed over two financial years. To date, upgrades have been made to the loading ramps, gateways to the paddocks and fire hydrants. Initial work on the ventilation system in the stables is expected to commence in the near future.

4FA-5 Renewed Leases for QS facilities

Due: 28 Sept 2008

This deliverable is on track. On 29 May 2008, United Group Services, on behalf of AQIS, advised the lessor of Spotswood Quarantine Station that AQIS would exercise the option to renew the lease for a further two years. On 2 July 2008, the lessor accepted the offer and confirmed that the lease on Spotswood Quarantine Station has been renewed until 1 December 2010.

AQIS has formally advised United Group Property that it intends to exercise its option to renew the lease at Eastern Creek Quarantine Station for five years until December 2015. The process to negotiate lease arrangements for the next five years will commence later this year.

Longer term options for both Spotswood and Eastern Creek quarantine stations are currently being considered following the release of the Quarantine and Biosecurity Review recommendations, which stated, *'The Commonwealth should immediately clarify its intentions with respect to the future ownership, management and operation of the quarantine facilities currently located at Eastern Creek and Knoxfield'*.

4FA-6 Approved PEQ facilities

Due: 27 Aug 2009

This deliverable has been completed. On 19 September 2008, AQIS finalised a process for the approval of PEQ facilities. The process has been provided to Biosecurity Australia, the Interim Inspector General for Horse Importation and horse importers.

Since August 2007, AQIS, Biosecurity Australia and the department's Agricultural Counsellors have been inspecting PEQ facilities. As at 30 November 2009, five PEQ facilities have received full approval, 29 PEQ facilities have received interim AQIS approval, a new facility in Ireland has been inspected by AQIS with a view to gaining interim approval, two PEQ facilities have failed and five PEQ facilities have insufficient information to allow AQIS to make a determination. AQIS has requested, and is currently reviewing the Standard Operating Procedure (SOP) manuals of PEQ facilities granted interim approval. AQIS has extended the interim approval status of all PEQ facilities with interim approval until 1 March 2010. PEQ facilities whose SOP manual meets the AQIS requirements will be granted full approval. AQIS has developed and distributed a Model Pre-export Quarantine SOP manual to approved countries. The Model PEQ SOP manual will be provided to current and future PEQ facilities as a recommended template to use in the upgrade or development of their SOP manuals.