

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

**(No. 5, JULY 2010)**

**Background**

I am pleased to present you with my fifth and final report on the implementation of the Callinan Inquiry.

Since my March report I have attended a meeting of the Horse Industry Consultative Committee (HICC) held on 21 April 2010 in Canberra. I was able to seek the views of stakeholders directly not only on implementation issues but on how best to manage the risks of horse importations into the future. On 7 May 2010, I received follow-up correspondence from the New Zealand Bloodstock P/L.

On 21 May 2010, I also held a round of briefings with a range of senior officials from the Department of Agriculture, Fisheries and Forestry (DAFF). I met with the Secretary, Dr Conall O'Connell, Deputy Secretary, Rona Mellor and Acting Deputy Secretary, Anne Hazell. I also had discussions with Dr Colin Grant, Chief Executive of Biosecurity Australia and Dr Mike Nunn, (Principal Scientist); Karen Schneider, Dr Helen Walker, Scott Channing, Dr Bob Biddle, Peter Moore and Greg Fulham of the Biosecurity Services Group, DAFF; and Karen Nagle, General Manager of Audit and Evaluation Branch. I was supported by Jemma Martin and Lea Palij from the Biosecurity Secretariat. Dr Kevin Dunn, Interim Inspector General of Biosecurity, provided written advice.

On 28 June 2010, I had the opportunity to have discussions in Canberra with Dr Kevin Doyle, National Veterinary Director of the Australian Veterinary Association (AVA) and his colleague Bruce Twentyman. Immediately following our meeting Dr Doyle provided me with a range of written material. I have also had the opportunity to read the Performance Audit (No. 47, 2009-10) undertaken by the Auditor-General, released on 23 June 2010, and DAFF's response to it.

**Two strands of a single narrative: vaccination and the levy**

In my previous report I expressed my concern that it will not be possible for the Commonwealth Government to fund an effective national response to a new outbreak of equine influenza (EI) in the absence of an emergency response agreement with the horse industry. Without the Commonwealth being able to access funding, underpinned by an agreed levy mechanism, a future response to an outbreak of EI is almost certainly going to be far less intensive than in 2007.

Given the failure of the Horse Disease Response Levy Bill 2008 and related bills to gain legislative passage, the horse industry is still not a signatory to the Emergency Animal Disease Response Agreement (EADRA). Consequently, no levy can be called upon to fund a speedy and vigorous response to EI. In these circumstances I judged it entirely appropriate for governments to consider whether vaccinations for EI in the absence of disease should be disallowed, voluntary or mandatory.

In my discussions with the AVA, it is apparent that the organisation and its special interest group, Equine Veterinarians Australia (EVA), remain adamantly opposed to vaccination against EI in the absence of the disease. According to AVA's President, Dr Mark Lawrie, it "would forever change the way the Australian horse industry operates". A vaccination regime, in his view, is not only unjustified scientifically but is not supported by the majority of Australian horse owners.

The AVA's National Veterinary Director, Dr Kevin Doyle, argues that the effect of vaccination in a sector of the horse industry would be to mask sub-clinical infection. This would delay an effective response, making eradication difficult or impossible. Consequently EI is more likely to become endemic. He suggests that the costs of a vaccination program are significantly greater than anticipated insofar as vaccination would need to be accompanied by an intensive surveillance program to sample and test regularly for the presence of circulating EI virus and immunity levels.

The AVA also believes it is likely that New Zealand would respond to vaccination by introducing a more restrictive quarantine system, requiring the testing of horses before import into New Zealand. Given that New Zealand is a major international destination for Australian horses, an Australian vaccination regime has the potential to disrupt current arrangements. According to the New Zealand Bloodstock P/L, partial vaccination "will warrant the current protocols invalid and the previous protocols enforced by New Zealand Ministry of Agriculture and Forestry during the 2007 EI outbreak will once again be imposed upon the horse owners, breeders and trainers of Australia and New Zealand".

Finally there is concern about the precedent impact of a vaccination program. The AVA notes that there is no vaccination permitted in any other domestic animal population in the absence of disease (e.g. Foot and Mouth disease or Rabies). On the basis of accumulated evidence and practical experience the AVA remains "very much against any ongoing EI vaccination" although it strongly supports having supplies of a suitable vaccine available to be used on an emergency basis if there were to be another EI outbreak.

In contrast, the Thoroughbred Breeders Association continues to argue for a voluntary EI vaccination program. Clearly, views remain sharply divided at the industry and political level. Nevertheless, there is growing recognition across all sections of the horse industry that, in the absence of explicit funding arrangements, the arguments in favour of a voluntary and partial vaccination program are more persuasive. It is now generally accepted that without a cost-sharing agreement the Commonwealth will not provide substantive government assistance for a future outbreak of EI. There is a strong sense that the absence of a levy is framing the lines of debate.

I have a growing if cautious optimism that most sectors of the horse industry now recognise the urgency of reaching agreement on the mechanisms for an equitable and practical levy, although there is as yet no consensus on the basis on which it should be imposed. I remain hopeful that the widening support for a levy will be recognised by the Senate inquiry into biosecurity and quarantine arrangements, being conducted by the Senate Standing Committee on Rural and Regional Affairs and Transport that at the time of this report is expected to report in November 2010.

In my view it is vital for the horse industry to become a signatory to EADRA and allow a fair sharing of the costs of responding to disease incursions. If not it is highly unlikely that it will be

possible to wage another eradication campaign if there is a future outbreak of EI in Australia (or, indeed, of other emergency diseases such as African Horse Sickness or some zoonoses that would adversely impact on the industry).

The Primary Industries Ministerial Council at its meeting in April 2010 explicitly drew the relationship between a levy and vaccination. "In the absence of any funding agreement", states the communiqué, "Ministers agreed that there would be no nationally cost shared response to any exotic horse disease incursion and steps would be put in place to enable voluntary vaccination of horses ... as a disease impact mitigation strategy". A final decision has been deferred until 1 December 2010. I hope that by that time there will be broad industry support for timely progression of the necessary funding legislation.

## **Protecting the Future**

The Callinan Inquiry was premised, of course, on the sound principle that the best protection against EI is prevention. The outbreak in August 2007, and its circulation in the domestic Australian horse herd between August and December, was a clarion call for more rigorous quarantine controls. By June 2008 EI had been eradicated, but at a high cost. The Commonwealth Government has now spent \$342 million eradicating the EI virus and providing financial assistance. Thankfully, there have been no further outbreaks. The goal now is to manage prudently the risks of future incursion as part of a far larger and more wide-ranging framework of biosecurity.

I am pleased, in this final report, to report that the execution of the administrative response to the Callinan Inquiry has been undertaken rigorously. There has been strong commitment to ongoing implementation of enhanced controls at both the pre-export and post-entry stages. The systemic organisational weaknesses identified by the Inquiry have been addressed. This bears testimony not only to the continued focus of the relevant Commonwealth agencies but to the support of the companies that bear the responsibility of importing and exporting horses. The consultative fora and expert groups have provided valuable channels for industry concerns, both large and small, to be addressed in a timely manner.

A detailed overview of progress against each of the goals of the Equine Influenza Inquiry Response Project is at Attachment A. Of the 38 recommendations made in the Callinan Inquiry, 33 have been implemented. Three were overtaken by measures implemented in response to the Beale Review, *One Biosecurity*. The recommended upgrade to Spotswood Quarantine Station has been deferred pending the outcome of HICC's consideration, at its meeting in October 2010, as to whether to continue or revoke the temporary suspension of horse imports into Spotswood. The import risk analysis on the importation of horses, completed in March 2010, will be reviewed in 2012. Overall the administrative response since 2008 represents a strong record of achievement. It is not a guarantee that things can't go wrong in the future.

The stark truth is that years of success might be undermined tomorrow by the most simple of mistakes. The longer the period of success the greater the risk that complacency will creep in. A wide range of new measures has been set in place but they could be brought undone overnight by a single error of judgement or one lapse of concentration. Strategy can be undone by lethargy. Near enough is never good enough in protecting Australians and the fauna and flora of Australia from disease.

In truth the future challenge is great. Continued effectiveness will require strong executive leadership. A strategic regimen of ongoing training, random checks of procedure and evaluations of operational policy will need to be framed within a comprehensive and integrated program. It will be necessary to enact a level of monitoring in order to provide assurance that controls are being implemented to consistently high standards.

I have been assured that DAFF is fully aware of the need to avoid complacency. The department has committed to a verification regime based on a continuing program of internal audits of the importation process.

Vigilance is crucial. Whilst instructional material has already been significantly improved (for all imported live animals, not just horses) and guidance progressively updated, challenges remain. The recent Auditor-General's performance audit on the *Management of Live Animal Imports* noted; for example, that whilst DAFF had established a sound framework for managing quarantine risks, recording examinations and decisions remained deficient. In addition to this, the audit found that departmental electronic systems were not sufficient to provide information about the activities undertaken in relation to imports and therefore did not support analysis of data required to inform compliance activities.

There is also a challenge of a higher order of magnitude. It is entirely understandable that a Commission of Inquiry, focussed on uncovering the causes of a major breakdown in quarantine arrangements, will make comprehensive recommendations to improve procedures in that particular matter. The Commonwealth Government accepted all recommendations and, as has been apparent from my reports, has ensured that they have been implemented in a careful and conscientious manner.

Yet the reality is that an outbreak of EI is only one of hundreds of biosecurity threats to Australia and by no means the most potentially damaging to our national interests. Public funding, as always, is necessarily finite. An extensive field audit work program by the Interim Inspector General of Horse Importation of pre-export quarantine and post-arrival quarantine premises was initiated for horse imports in 2008-09. The functions of this role have now been subsumed within the much broader biosecurity remit of the Inspector General of Biosecurity. Accordingly assurance activities specifically for horses in 2009-10 were restricted within the overall scope of activities of the broader Interim Inspector General of Biosecurity role.. There is necessarily competition for quarantine resources. Priorities have to be set.

With this in mind, I believe it is now important to integrate the measures to prevent EI entering Australia, or becoming endemic, within a broader framework of quarantine controls. This is not to suggest that the enhanced measures recommended in the Callinan Inquiry should be weakened. Rather, the ongoing focus on EI needs to be balanced carefully against competing demands for biosecurity protection. The lessons of EI have broader applicability and it is important that the response to them be set within the wider context of quarantine control.

## **Conclusion**

The challenge of implementing new and improved quarantine procedures has been met to a high standard. I believe that the process used, based upon intensive external scrutiny of bureaucratic action by an independent observer, represents an effective model for future management of complex projects. It is a model that could be replicated in other areas of government policy.

I have been fortunate to receive the level of support that I have over the past two years. Led by the personal involvement of the Secretary of the Department of Agriculture, Fisheries and Forestry, Dr Conall O'Connell, I have been given all the assistance I have sought from the senior officials with responsibility for horse imports, animal biosecurity, quarantine and veterinary matters.

I have also benefitted a great deal from the formal meetings and less formal discussions I have had with many of those in the heterogeneous diversity of interests that together comprise the Australian 'horse industry'. I have been impressed both with the depth of their experience and the commitment they have to facilitating the international movement of horses.

Finally, I want to acknowledge the support that I have received from you as minister and your willingness to make public my reports to you. I appreciate the opportunities that have been provided to discuss each report with you and the level of interest you have brought to the matters raised. I thank you.

Prof. Peter Shergold

20 July 2010

## **ATTACHMENT A: SUMMARY OF PROGRESS**

### **1FR-1 Updated Quarantine Act 1908      Due: On-going – 1<sup>st</sup> milestone – 15 Sept 2008 2<sup>nd</sup> 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.

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 is currently developing the 2010-11 budget and will continue to work with the horse industry to ensure the necessary resourcing levels are maintained to a level that adequately manages the biosecurity risks, and that the program budget is being managed efficiently.

### **1FR-3 Updated Import Conditions**

**Due: On-going – 1<sup>st</sup> milestone – 18 Oct 2008**

**2<sup>nd</sup> milestone – 11 Jan 2010**

**3<sup>rd</sup> milestone – 24 March 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 has contacted counterparts in approved countries to update the conditions in line with the final IRA report recommendations.

The Director of Animal and Plant Quarantine's policy determination on the importation of horses from approved countries was announced on 24 March 2010. The determination follows completion of the import risk analysis (IRA) of horses by Biosecurity Australia. The IRA recommendations closely reflect the interim measures and Biosecurity Australia has contacted counterparts in approved countries to make minor amendments to import conditions and to take into account certain country specific factors.

### **1FR-4 Updated AQIS Instructional Material**

**Due: On-going -**

**1<sup>st</sup> milestone – 16 Jan 2009**

**2<sup>nd</sup> milestone – 26 Oct 2010**

This deliverable has been completed. Initial updates (first milestone) to all AQIS instructional material relating to the importation of horses have 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 and regional staff. The finalisation of the IRA and the latest reports from the Interim Inspector General of Biosecurity will result in some changes to the work instructions. 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. In December 2009, Lee Cale replaced Ann McDonald as the General Manager (Acting) Animal Quarantine and Export Operations. As a result of this change, the Secretary approved the appointment of Lee Cale as the Officer Responsible for Horse Importation on 5 February 2010.

#### **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, 22 April and 21 October 2009, and on 21 April 2010. 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. The Officer Responsible for Horse Importation attended the recent Animal Health Committee on 4-6 May 2010.

#### **2P-7 Appointed and Trained AQIS Personnel**

**Due: On-going**

**1<sup>st</sup> milestone – 6 Aug 2008**

**2<sup>nd</sup> milestone – 15 Feb 2009**

**3<sup>rd</sup> 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. Staffing levels in the Horse Import Program are currently being reviewed further as part of the 2010-11 budget development process.

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 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 was conducted on 13 April, 14 April and 28 April 2010. A further training session was conducted in July 2010.

## **2P-8 Trained/Informed Non-AQIS Personnel**

**Due: On-going  
1<sup>st</sup> 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. Further training for non-AQIS vets was conducted on 20 May and 15 June 2010 and further training for industry grooms is planned for August 2010. 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.

### **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  
Completed 24 March 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. An expert panel was formed to assist Biosecurity Australia. A draft IRA report was released for 60 days public comment on 30 November 2009. Submissions from 12 stakeholders were received and considered in finalising the IRA. Under the non-regulated IRA approach there was no appeal opportunity for the IRA.

The recommendations in the IRA are similar to the current interim measures introduced in 2007 and 2008. Changes include the post-arrival quarantine (PAQ) period for co-mingled consignments of 21 days has been amended to include a regional approach, i.e. a 14-day PAQ period for co-mingled consignments originating from the same region; and timing of diagnostic testing for a number of diseases in pre-export quarantine (PEQ) has been aligned where possible to better manage testing and to minimise veterinary attendance. Biosecurity Australia is in contact with counterparts to make minor amendments to conditions and to take into account certain country specific factors.

The import of horses from Japan was considered as part of the IRA. To progress this matter, Biosecurity Australia has liaised closely with Japanese officials, including during a visit to Japan in July 2009. With completion of the IRA, Australia's Counsellor (Agriculture) in Tokyo is in regular contact with Japan's Ministry of Agriculture, Fisheries and Food (MAFF) to ensure there is a clear understanding of Australia's requirements. MAFF has prepared standard operating procedure manuals for three PEQ facilities. MAFF has also provided a model health certificate to accompany horses to Australia. AQIS visited Japan in July 2010 to inspect the proposed horse PEQ facilities. The inspection found that two of the facilities have the necessary structural requirements to adequately address Australia's biosecurity requirements with respect to PEQ. Following the inspection, MAFF was advised that the two PEQ facilities were provisionally approved, pending amendment/finalisation of the standard operating manual for each facility; and that the third facility did not adequately meet Australian biosecurity requirements..

Biosecurity Australia will also need to visit Japan to review PEQ activities, while horses are in quarantine for at least the first consignment.

### **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. The Interim Inspector General of Biosecurity completed an inspection of the PEQ facilities and procedures in Singapore in June 2010.

### **3RR-6 Professor Shergold Review Reports**

**Due: On-going**

**1<sup>st</sup> milestone – 12 Oct 2008**

**2<sup>nd</sup> milestone – 11 Feb 2009**

**3<sup>rd</sup> milestone – 12 Jun 2009**

**4<sup>th</sup> milestone – 29 Mar 2010**

**5<sup>th</sup> milestone – June 2010**

The first, second, third and fourth milestones have been met. This report represents the fifth and final 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 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 temporarily 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 was discussed at the HICC in April 2010. HICC members agreed to defer further consideration of the suspension of horse imports into Spotswood Quarantine Station until the October 2010 meeting.

### **3RR-8ORHI 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: 1<sup>st</sup> milestone – 18 Sept 2008  
2<sup>nd</sup> 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. Concerns have also been raised about how some of the recommendations would affect airport security. This deliverable has been completed to the extent that practicalities allow and the Expert Group has been consulted during the process to help ensure that biosecurity objectives are met.

### **4FA-2 Interim and Final Upgrade – Tullamarine**

**Due: 1<sup>st</sup> milestone – 18 Sept 2008  
2<sup>nd</sup> 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: 1<sup>st</sup> milestone – 18 Sept 2008  
2<sup>nd</sup> 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 into 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: 1<sup>st</sup> milestone – 18 Sept 2008  
2<sup>nd</sup> 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 AQIS/security presence at the horse enclosure entrance when horses are in quarantine.

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 ventilation system in the stables, loading ramps, gateways to the paddocks and fire hydrants.

**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 exercised its option to renew the lease at Eastern Creek Quarantine Station for five years until December 2015.

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 and the department's Agricultural Counsellors have been inspecting PEQ facilities. As at 31 March 2010, 33 PEQ facilities have received either full or interim AQIS approval. 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 12 September 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.