

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

**(No. 3, September 2009)**

**Background**

I am pleased to provide you with my third report. It has been delayed in order for me to inspect at first-hand the Spotswood Quarantine Station in late July 2009. This delay has also allowed me to be briefed on the visit to Japan by Biosecurity Australia officers (27 June – 3 July 2009) and to examine the manner in which the outbreak of a respiratory virus in Eastern Creek Quarantine Station was handled (6 – 24 July 2009).

You will be aware that the period covered by my report has been a challenging one for your portfolio. Significant organisational change has been implemented. As part of this restructure the Australian Quarantine and Inspection Service (AQIS), Biosecurity Australia and the Quarantine and Biosecurity Policy Unit (QBPU) have now become part of the new Biosecurity Services Group within the Department of Agriculture, Fisheries and Forestry (DAFF) and a new Audit and Evaluation Branch has been created. Concurrently, in accordance with the government's response to the recommendations of the Beale review, and in a move which I support, the position of the Interim Inspector General of Horse Importation (IIGHI) has been subsumed by the broader functions of the Interim Inspector General of Biosecurity.

There are always dangers that in such a period of organisational transition focus on outcomes can become diverted, especially when staff are transferred to new roles. My sense is that, in the area in which I am engaged, this has not occurred. This is a credit to the professionalism of those affected.

**Overview**

Since my second report I have had further detailed oral discussions with most of those Commonwealth public administrators within DAFF with prime responsibility for the oversight of the implementation of the Equine Influenza Inquiry Response Project (EIIRP) including Dr Ann McDonald and Dr Murli Baker-Gabb (AQIS); Dr Colin Grant, Dr Robyn Martin and Dr Mike Nunn (Biosecurity Australia); Ms Fran Freeman and Ms Kirsty Faichney (QBPU); Ms Anne Hazell and Ms Karen Nagle (Corporate Services); and Dr Graeme Garner (Office of the Chief Veterinary Officer). I have also met with Dr Conall O'Connell (Secretary, DAFF), Mr Rob Delane (Deputy Secretary, BSG) and Mr Daryl Quinlivan (Deputy Secretary, DAFF). In addition, I met with Mr Roger Beale AO, Chair of the Primary Industries Ministerial Council Expert Group to discuss the Group's consideration of possible strategies for managing the risks associated with a future equine influenza (EI) outbreak. This has enabled me to test the reliability of the traffic light reports provided to the Secretary of DAFF and Executive Director of AQIS on a regular basis as well as the monthly progress reports which you receive.

I have also sought and obtained written reports on the respiratory disease incident at Eastern Creek Quarantine Station and on the visit of Biosecurity Australia officers to Japan. In addition, I have held meetings with a number of key external stakeholders including Mr Hamish Scott and Mr Leigh Jordan of Racing Victoria Limited.

On the basis of these oral discussions and written reports I am pleased to assure you that there continues to be solid progress in implementing the EIIRP. The key assessments that I foreshadowed in my previous report – the report of the Expert Group on Horse Importation on post-arrival quarantine facilities, the audit by the IIGHI on pre-export and post-arrival quarantine facilities and procedures and the report by Biosecurity Australia on pre-export and post-arrival activities – have been delivered. These reports recommend changes to existing measures, or new measures, that will be more effective in managing the risk of another outbreak of EI in Australia. Remaining deliverables appear to be progressing as scheduled. A detailed overview is attached.

### **Red Tape**

I am pleased that a number of my earlier concerns about the burden of bureaucratic process seem to be being addressed. In particular I note with approval attempts to reduce the amount of paperwork that needs to be completed by non-AQIS personnel before gaining access to the quarantine stations. I have witnessed the processes being operationalised by AQIS to ensure that the grooms, veterinarians, farriers and truck drivers involved in horse importation are now being provided with one-off training and twelve-month accreditation. This streamlining will reduce levels of red tape so that unnecessary costs are not imposed on the industry. I understand that training sessions have now been completed for non-AQIS vets (New South Wales 18 June 2009 and Victoria 11 June 2009) and grooms in New South Wales (6 August 2009). At the same time, as part of a comprehensive review of instructional material, forms and processes relating to non-AQIS personnel are being finalised in consultation with horse importers.

The challenge, of course, is to keep administrative procedures to a minimum while continuing to ensure that the more rigorous horse importation regime proposed by Justice Callinan and accepted by the Australian Government, is being monitored for compliance, reviewed for effectiveness and evaluated for further enhancement.

I note in this regard the report prepared by Dr Louise Sharp, a Veterinary Officer of Biosecurity Australia, on her experience accompanying a horse consignment from the United Kingdom to Australia. Although confirming that no major biosecurity risks were observed during the transit from leaving pre-export quarantine until post-arrival quarantine, she did identify areas for on-going review and clarification. This is underway.

The administrative imperative is to ensure that all those involved in horse importation fully recognise that the most minor breakdown in procedures – an unzipped overall, an uncovered head, a truck wheel not adequately disinfected – could once again threaten the economic viability of a great Australian industry.

The system of control is only as strong as the weakest link: a cleaner who, unwittingly, has contact with a horse on the aircraft, has the potential to undo months of careful planning.

### **Testing Responsiveness**

Early in July there was an opportunity (not one which should be welcomed) to test procedures. Twenty-three horses were imported into Eastern Creek Quarantine Station on 27 and 28 June 2009. All had tested negative for EI on two occasions in pre-export quarantine and had

returned one negative test result to the first of three tests now required throughout the post-arrival quarantine period. On 6 July, one horse started exhibiting mild clinical signs of respiratory illness which, over the next few days, spread to other horses. Alarm bells sounded.

AQIS at once informed the Commonwealth and State chief veterinary officers and Biosecurity Australia that there appeared to be a virus circulating and undertook additional testing for EI. In spite of negative additional tests for EI virus, a decision was made to send blood samples and additional swabs from all the horses for testing for EI antibodies (the response of the horse to EI infection) but also for equine viral arteritis (EVA) and equine herpes virus (EHV). These latter diseases can also cause respiratory disease. Advice was provided not only to myself but to the IIGHI and major horse industry bodies. The matter was also discussed with the Australian Veterinary Association. Although one antibody result for one horse was suggestive of EI infection, follow-up testing did not reproduce this result. Rather, test results confirmed the presence of EHV-4, a virus already present in Australia. All horses were able to be released from quarantine on 24 July 2009.

In a real sense the incident was a chance to test the strengthened quarantine procedures, including the strict and immediate enforcement of biosecurity measures. The way in which the EHV incident was identified, managed and communicated suggests that the processes now in place are effective.

### **Horse Imports from Japan**

Two years ago, in August 2007, Australia suspended the direct importation of horses from Japan following the outbreak of EI. The outbreak, which imposed significant immediate and on-going costs on Australia's horse industry, was attributed to the importation of a consignment of horses from Japan.

It is not surprising that Biosecurity Australia has felt the need to make haste slowly in readmitting horses from Japan. There has been a need to get a much better understanding of Japan's equine health status, including details of the regime of vaccination, surveillance, epidemiological investigation and administrative compliance. Equally, it is not surprising that representatives of the Victorian racing industry, whom I have met on a number of occasions, advocate strongly for the reintroduction of direct importation of horses from Japan as quickly as possible. Japanese horses have in the past added international status and quality to the Melbourne Spring Carnival, including the Melbourne Cup.

At the beginning of July 2009 Japan's annual health authorities self-declared that Japan meets the requirements of the World Organisation for Animal Health for freedom from EI. This coincided with a visit by Biosecurity Australia officers to Japan to review its quarantine and monitoring arrangements and, at the same time, to inform Japanese understanding of the Australian Government's response to the outbreak of EI and to discuss opportunities for future collaboration.

I understand that the import risk analysis (IRA) for horses is on schedule for the end of February 2010. This being the case, I believe that it is now most sensible to ensure that consideration of access of horses from Japan be incorporated into this broader process. I am optimistic that, subject to agreement on appropriate procedures and documentation, the direct

importation of horses from Japan should be possible to allow the entry of horses direct from Japan for the 2010 southern hemisphere breeding season and Spring Racing Carnival.

### **Conditions at Spotswood and Eastern Creek**

As noted earlier, I arranged to see at first-hand conditions at the Spotswood Quarantine Station in July. Whilst I was impressed by the commitment of those who work there, I was concerned that the conditions in which imported horses were kept posed a potential threat to animal welfare. I noted, for example, that if the condition of the outside holding pens was not regularly monitored, then horses could injure themselves on the wire fencing or its foundations. I understand that Professor Ivan Caple has now reviewed the facilities at both Spotswood and Eastern Creek Quarantine Stations and identified necessary improvements. These proposals are now being costed.

The difficulty is that the necessary upgrade will almost certainly prove expensive. AQIS will need to consider whether the cost of this remediation work can be cost recovered from future clients. In making this decision account will need to be taken of the sharp increase in quarantine fees already faced by the three major horse importers (International Race Transport, New Zealand Bloodstock and Crispin Bennett International Horse Transport) and the implications of the plans by Racing Victoria Limited to move its private quarantine facility from Sandown to Werribee.

In the meantime, some upgrades to the Eastern Creek Quarantine Station have now been completed, including the installation of flow-through showers for those accompanying or visiting the horses after they have arrived. I understand that further improvements to improve animal welfare are being considered to this facility, in light of Professor Caple's report.

### **Horse Quarantine Fees**

In my previous report I highlighted my concern about the capacity of the Australian industry to absorb the full cost of the Horse Imports Program. This is a problem that reflects not just the increased costs necessary to implement improved quarantine procedures but the failure, even before the 2007 EI outbreak, to properly calculate the true costs of horse quarantine.

The major challenge is the requirement to attribute to importers the full level of accumulated deficit (some \$2.52 million at 1 July 2009). Whilst higher on-going costs of horse importation may, with difficulty, be met and passed on to horse owners by importers, I continue to be concerned that recovery of the program deficit, even over a number of years, could be crippling to the industry.

I understand that this important matter is presently under urgent review by DAFF. I further understand that the government is considering the complex and challenging issue of the future of Australia's post-arrival quarantine stations. I am willing to be further consulted on these two matters should you believe it to be of value.

### **A Note of Thanks**

I have continued to receive professional assistance from all levels of your portfolio including, in particular, Dr Ann McDonald (General Manager, Animal Quarantine and Export Operations

Branch) and, on the administrative side, from Ms Joannah Burley (Compensatory Schemes Section, Corporate Services Division). I have been kept informed of relevant developments and received prompt responses to my enquiries. I acknowledge with gratitude the quality of the support I have been given preparing my report.

Prof. Peter Shergold

7 September 2009

## **ATTACHMENT: SUMMARY OF PROGRESS**

A discussion of progress against each of the Equine Influenza Inquiry Response Project (EIIRP) deliverables and related issues is set out below.

### **1FR-1 Updated Quarantine Act 1908**

**Due: On-going – 1<sup>st</sup> milestone – 15 Sept 2008**

As advised previously, the first milestone relating to the interim fees for horses at Government Quarantine Stations has been met. The Minister 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 has increased to \$165 a day and the fee for all other horses is \$65 a day. The new fees took effect from 1 October 2008.

On 18 December 2008, the Government released the Quarantine and Biosecurity Review report and the Government's preliminary response. 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 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' have been subsumed into the implementation of the Quarantine and Biosecurity Review recommendations. The AQIS Legislation Review Unit have 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 commenced. The Horse Import Program completed a mid-year review of its 2008/09 budget taking 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 airports and quarantine stations. An updated Horse Imports Program Budget has been developed for the 2009/10 financial year. The 2009/10 budget has been finalised and approved by the Biosecurity Executive Leadership Group. New fees to be proposed to the Minister by the end of October 2009 will support this budget. AQIS is working with industry to reduce expenditure to the extent possible without compromising biosecurity.

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

**Due: On-going**  
- 1<sup>st</sup> milestone – 18 Oct 2008  
- 2<sup>nd</sup> milestone – 11 Jan 2010

The first milestone has been met. On 18 September 2008, Biosecurity Australia (BA) 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 (EI) 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 EI Inquiry Report including the provision of sufficient evidence of certification.

Permanent import conditions have been updated for horses from the United States, Member States of the European Union, 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. Import conditions for the re-importation of Australian horses from Macau have also been updated. This represents all countries from which horses are currently being imported into Australia.

Further changes to AQIS import conditions (2<sup>nd</sup> milestone) will take place after BA undertakes its annual review of interim quarantine measures or the Import Risk Analysis for horses is complete.

#### **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

The deliverable has been completed. Initial updates to all AQIS instructional material relating to the importation of horses have been reviewed and updated in consultation with AQIS regional staff, BA and industry stakeholders. The updated instructional material has been placed on the AQIS intranet.

Further amendments to the AQIS instructional material (2<sup>nd</sup> milestone) have been completed following receipt of the Expert Group, BA 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 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**

A protocol for the arrival of horses at ports other than Sydney and Melbourne was completed at the Horse Industry Consultative Committee (HICC) meeting on 22 April 2009. Comments are being sought from the Chief Veterinary Officers prior to finalisation.

#### **2P-1 Appointed Interim Inspector General of Horse Importation**

**Due: 1 Sept 2008**

This deliverable has been completed. The minister announced the appointment of Dr Kevin Dunn as the Interim Inspector General of Horse Importation on 11 September 2008.

#### **2P-2 Appointed Inspector General of Horse Importation**

**Due: 28 Jan 2009**

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

Within its preliminary response, the Government noted that ahead of a statutory appointment, it intends to appoint an Interim Inspector-General of Biosecurity, replacing the functions of the

interim Inspector-General of Horse Importation. Dr Kevin Dunn, the Interim Inspector General for Horse Importation, was appointed as the Interim Inspector General of Biosecurity on 1 July 2009.

### **2P-3 Appointed Officer Responsible for Horse Imports**

**Due: 26 Jun 2008**

This deliverable has been completed. On 20 June 2008, the Secretary 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 was formed, chaired by the Australian Chief Veterinary Officer, Dr Andy Carroll, and comprising representatives from the Animal Health Committee, Australian Animal Health Laboratory and Equine Veterinarian's Association. BA is an observer on the Expert Group. At the first meeting of the Expert Group on 5 September 2008, members agreed to their terms of reference and terms of engagement. The Expert Group provided its report on 12 March 2009.

### **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 HICC comprising of representatives from the Australian Horse Industry Council, Australian Racing Board, Equestrian Federation of 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 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>

Dr Ann McDonald, 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 (AHC) meetings. AQIS provided updates on EI implementation to the AHC meetings in September 2008, and February and April 2009.

### **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 November 2009**
- **4<sup>th</sup> milestone – 23 June 2010**

The first, second and third milestones have been completed. Immediately following the release of the EI 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.

A comprehensive training package based on the December 2007 Standard Operating Procedure was developed and staff participating in horse clearance and quarantine were trained in March and April 2008.

The horse import training package is currently being updated to reflect the revised instructional material. Final changes will be made to the training package after the conclusion of the Import Risk Analysis in early 2010. Staff training needs are being continually assessed as instructional material is updated.

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

**Due: On-going**

- **1<sup>st</sup> milestone – 18 Oct 2008**
- **2<sup>nd</sup> milestone – 10 June 2010**

This deliverable has been completed. 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.

The second milestone concerns arrangements for ongoing training. For non-AQIS personnel this task has been incorporated into the program business plan and work activities and has therefore been completed. 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 has been provided to non-AQIS vets who have been accredited. AQIS is liaising with horse importers to conduct training for grooms, farriers and truck drivers, as and when possible.

#### **3RR-1 Pre-export Quarantine (PEQ) Review Report**

**Due: 28 Feb 2009**

This deliverable has been completed. BA 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 BA reviewed activities while horses were in PEQ in UK, Ireland, Germany, USA, UAE, Singapore, Hong Kong and Macau. Further reviews will be undertaken for PEQs in other regions and countries than those already inspected. BA has accompanied a consignment of horses from a port of export in the EU to arrival in Australia and is organising to accompany a consignment from the USA.

### **3RR-2 Interim Quarantine Measures Review Report**

**Due: 18 Sept 2008**

This deliverable has been completed. BA has amended these 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 a blood sample is taken while a horse is in PEQ. 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 4 days of export is the shortest time interval. The USA was testing within 7 days of export. The US has recently advised that testing can occur within 4 days of export.

### **3RR-3 Post-arrival Quarantine (PAQ) 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, BA submitted its report on post-arrival quarantine procedures and activities to AQIS on 31 March 2009. AQIS is currently implementing its response to the recommendations in these reports.

In relation to the PAQ procedures and activities, BA 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 Review Report**

**Due: 17 Jan 2010**

This deliverable is on track. The Chief Executive of BA 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 a meeting on 27–28 July 2009 and progressed risk assessment disease chapters and considered risk management options. A further meeting was held on 1-2 September 2009 to consider draft risk management chapters before finalising the draft IRA report (due for public release late September/October).

The import of horses from Japan is being considered as part of the IRA. To progress this matter two officers from BA visited Japan in July 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.

### **3RR-5 Interim Inspector General of Horse Importation 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 PEQ facilities in the United Kingdom, Ireland, Germany, Hong Kong, Macau, 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. Dr Dunn plans to audit and inspect PEQ facilities in Singapore in August or September 2009.

### **3RR-6 Professor Shergold Review Reports** **Due: On-going**

- 1<sup>st</sup> milestone – Oct 2008
- 2<sup>nd</sup> milestone – Feb 2009
- 3<sup>rd</sup> milestone – Aug 2009
- 4<sup>th</sup> milestone – Dec 2009
- 5<sup>th</sup> milestone – June 2010

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

### **3RR-7 Horse Import Fee Review** **Due: 24 Jan 2010**

This deliverable is on track. The Horse Import Program has commenced a fee review to ensure full recovery of quarantine costs and to address the current Program deficit. AQIS has been working closely with stakeholders on possible options for changes to the horse import fees including at the latest Horse Industry Consultative Committee in April 2009.

The Horse Industry Consultative Committee (HICC) Finance Sub-committee met on 21 August 2009 to discuss several options regarding the revised quarantine fees for horse imports. The horse importers agreed to the scenario which included the cessation of horse imports into Spotswood Quarantine Stations after the October 2009 horse intake in order to keep the proposed increase in horse quarantine fees to a minimum. The Horse Imports Program will aim to finalise the fee review including the cost-recovery impact statement and provide advice to the Minister as soon as possible.

### **3RR-8 Officer Responsible for Horse Importation 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 Act 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 (interim upgrade)**

**2<sup>nd</sup> milestone—23 Feb 2010 (final upgrade)**

The first milestone has been met. 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 EI 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. SACL has advised possible funding difficulties to upgrade the livestock transfer facility as recommended by the Expert Group.

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

**Due: 1<sup>st</sup> milestone - 18 Sept 2008 (interim upgrade)**

**2<sup>nd</sup> milestone— 23 Feb 2010 (final upgrade)**

The first milestone has been met. Interim facilities at Melbourne 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. The General Manager, Animal Quarantine and Export Operations has written to Melbourne Airport to seek a response regarding the upgrade of facilities at the airport which was recommended by the Expert Group.

#### **4FA-3 Interim and Final Upgrade – Spotswood**

**Due: 1<sup>st</sup> milestone -18 Sept 2008 (interim upgrade)**

**2<sup>nd</sup> milestone—23 Feb 2010 (final upgrade)**

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 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 now received costing for the work and is prioritising the work required for this financial year. A final decision on the work to be undertaken will be made following the Minister's decision on the proposed horse quarantine fees and future of horse imports into Spotswood Quarantine Station.

**4FA-4 Initial and Final Upgrade – Eastern Creek**  
**Due: 1<sup>st</sup> milestone -18 Sept 2008 (interim upgrade)**  
**2<sup>nd</sup> milestone—23 Feb 2010 (final upgrade)**

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. Further upgrades to Eastern Creek Quarantine Station, including the use of CCTV and other electronic surveillance equipment, as recommended by the Expert Group, is currently being considered by AQIS.

As advised above, AQIS has received quotes to upgrade facilities at Eastern Creek Quarantine Station to address animal welfare concerns as recommended by Professor Caple and is currently prioritising the work to be undertaken.

**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 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 BA, the Interim Inspector General for Horse Importation and horse importers.

Since August 2007, AQIS, BA and the DAFF Agricultural Counsellors have been inspecting PEQ facilities. As at 31 July 2009, five PEQ facilities have received full approval, 29 PEQ facilities have received interim AQIS 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 SOP manuals of PEQ facilities granted interim approval. PEQ facilities whose SOP manual meets the AQIS requirements will be granted full approval. AQIS has developed generic guidelines for a suitable SOP manual to assist PEQ facility operators and will be distributing them shortly.

A process has been developed for future inspections and audits of PEQ facilities by AQIS and BA.