



HORSE INDUSTRY CONSULTATIVE COMMITTEE

MINUTES

Meeting 28

12 May 2023

9:30am-1:30pm

Department of Agriculture, Fisheries and Forestry

70 Northbourne Avenue, Canberra ACT 2601 (Teleconference available)

Attendees:

Internal

Kim Hughes (Chair) (Animal and Biological Imports Branch)

Michelle Blowes (Animal and Biological Imports Branch)

Danni Davis (Animal and Biological Imports Branch)

Jessica Hoad (Animal and Biological Imports Branch)

Kaylene Jones (Animal and Biological Imports Branch)

Emma McGrath (Animal and Biological Imports Branch)

Kym Russell (Animal and Biological Imports Branch)

Peter Finnin (Animal Biosecurity Branch)

Tania Ware (Animal Biosecurity Branch)

Kate Usher (Animal Biosecurity Branch)

Rachel Iglesias (Office of the Chief Veterinary Officer)

Rachel Short (Finance Division)

Paul Douglas (Finance Division)

Leanne Payne (Finance Division)

Joffrid Mackett (Live Animal Exports Division)

Tim Naylor (Live Animal Exports Division)

Ben Wilson (PEQ Operations)

Melissa Henson (PEQ Operations)

Leah Wells (Veterinary and Export Meat Branch)

Jonathon Early (Veterinary and Export Meat Branch)

Mikala Welsh (Veterinary and Export Meat Branch)

Nicole Heberle (Veterinary and Export Meat Branch)

Clare O'Shannessy (Veterinary and Export Meat Branch)

Tess Gunn (Veterinary and Export Meat Branch)

Alyce Adams (Veterinary and Export Meat Branch)

Industry Members and Guests

Andrew Kelly (Harness Racing Australia Inc)

Andrew Small (Racing NSW)

Cameron Croucher (Equine International Airfreight)

Cathy Bunter (DEECA)

Chris Burke (International Racehorse Transport/First Point Animal Services)

Jeffrey Wilkinson (Equine Veterinarians Australia)

Josh Murphy (New Zealand Bloodstock)

Karen Day (Racing Australia)

Kathleen Mullan (Harness Racing Australia Inc)

Paul Eriksson (Racing Australia)

Rachel Ratini (Equestrian Australia)

Ross Kendell (Horse Industry Consultant)

Apologies

Grace Forbes (Racing Victoria)

James Gilkerson (Australian Veterinary Association)

Tamara Nolan (PEQ Operations)

HORSE INDUSTRY CONSULTATIVE COMMITTEE – Meeting 28 Minutes – 12 May 2023

Meeting commenced at 9:40am.

1. Welcome and apologies

The Chair provided an acknowledgement of country, welcomed attendees and provided a reminder of the HICC terms of reference and confidentiality requirements. The Chair called for any requests to add to Agenda Item 9 Other business; none received.

2. Minutes from Meeting 27 and outstanding action items

Item 1: HICC secretariat to circulate NEXDOC discovery report – completed.

Item 2: Add the requirement for veterinary attendance to the emergency injections policy, NTI and offsite treatment forms update - completed.

Item 3: PEQ Operations business case expansion as soon as possible – update at Agenda Item 8.

Item 4: AHP to provide update on distributor for the JE vaccine for horses and any minimum order quantity requirements to HICC – update at Agenda Item 7.

Item 5: ABB to work with Hong Kong regarding difficulties testing export horses for piroplasmiasis, engage with state and territory Chief Veterinary Officers about the MTA difficulties, and assist with work to update the policy on sending samples overseas for testing and develop domestic testing capabilities – update at Agenda Item 6.

Item 6: ABB to update OOS when the JE chapter has been reviewed – update at Agenda Item 6.

Item 7: ABB premises freedoms for horses from New Zealand en route to other countries – update at Agenda Item 6.

Item 8: HICC secretariat to advise when the Cost Recovery Impact Statement (CRIS) paper is available for public consultation – completed and update at Agenda Item 10.

Meeting 25 Action Item: Dr Wong to update on the draft policy for laboratories performing official testing for animal diseases. There is a likely decision in the coming months and HICC will be updated accordingly.

3. ABIB audits update – domestic and overseas

Michelle Blowes, Animal and Biological Imports Branch (ABIB), provided an update on audits of overseas pre-export quarantine (PEQ) facilities and Australian post-arrival quarantine (PAQ) facilities.

On-site audits of PEQ facilities have recommenced after suspension during COVID. On-site audits conducted so far have been useful in clarifying requirements with industry and government as well as affording ABIB a better understanding of individual PEQ facilities. This contributes to better compliance and biosecurity management and assists the department to more quickly and accurately assess technical requests, manage treatment approval requests and other incidents as they arise during PEQ.

During COVID, ABIB issued PEQ facility approval extension letters for facilities that could not be audited. These approvals will be extended to allow more time to complete audits. Facility approval extensions will be until end of the calendar year, or financial year.

Post arrival quarantine (PAQ) in Australia is conducted at the government facility at Mickleham or Approved Arrangement (AA) sites. These sites are audited annually by departmental auditors from Audit Services Group and subject matter experts from ABIB. These joint audits ensure a consistent approach in audit methodology as well as ensuring that findings are relevant and specific to horse biosecurity issues. If serious noncompliance is found, the audit rate is increased to require two audits in a six-month period until two successive audits are compliant, at which point the facility may be moved back to an annual audit rate. All Australian PAQ facilities are currently on the annual audit rate. A significant amount of work has been completed at Mickleham Post-Entry Quarantine Facility (MQF) in the past 18 months to improve procedures and the physical facilities. All PAQ facilities are operating at an equivalent level of compliance.

HORSE INDUSTRY CONSULTATIVE COMMITTEE – Meeting 28 Minutes – 12 May 2023

An update was also provided on two items related to PAQ that the department has been working on. The first of those items is a review of the Approved Arrangements Class 7.12 Requirements to make them more targeted and clearer. This project has been underway for some time and it is expected that the draft will be circulated for industry feedback in the next few months.

The second project involves on-arrival tick searches at PAQ facilities. On-arrival tick searches are often performed in the middle of the night due to flight arrival times. ABIB are considering mandating a second tick search undertaken by grooms and supervised by the department on the day following horse arrivals at PAQ. A second tick search during daylight hours would allow both better light and more time for ticks to engorge with blood and be easier to find. Draft changes will be circulated for comment before publishing.

ACTION ITEM 1: ABIB to provide draft AA Class 7.12 requirement changes to industry for feedback.

ACTION ITEM 2: ABIB to consult with industry on proposed changes to tick examination requirements in PAQ.

4. Sydney corral update

Jonathan Early, Veterinary and Export Meat Branch (VEMB), advised that several issues were raised by VEMB officers around horse welfare, biosecurity process flow and workplace health and safety (WHS) at the Sydney Livestock Transfer Facility horse corral site. VEMB met with WHS Canberra on 5 April 2023 regarding trip hazards, unprotected columns, gaps that horses may slip through and head-height beams at the corral. The company managing the Sydney horse corral advised on 13 April 2023 that they have acquired additional funds to resolve WHS concerns. VEMB is awaiting feedback from industry on proposed padding around columns. VEMB welcomes continued engagement from industry about further improvements.

Industry requested an update on the Sydney corral bunding removal (trip hazard) and drainage concerns. VEMB advised that the majority of the bunding has been removed, and that the drainage is yet to be corrected. VEMB were advised quotes to fix the drainage and may take six-to-eight weeks.

First Point of Entry (FPOE) and non-FPOE teams continue to work with VEMB and SACL on finalising regulatory assessment, the corral procedure manual and minor outstanding infrastructure work around WHS and horse welfare issues. A revised procedure manual was received from SACL on 3 May 2023, and is currently under review. As soon as the outstanding infrastructure work and WHS items have been closed out, the documents will be finalised and provided to the delegate for amending the FPOE determination for Sydney Airport.

Industry raised concerns that ahead of the upgrades, they had advised Sydney airport that the design was not appropriate but were told that the airport was following the direction of the government in the construction of the horse corral. Industry noted that this has led to sub-optimal drainage and shower locations. ABIB advised that this matter has made the department aware there are issues with the FPOE standards, which we will review. The draft updates to the FPOE standards will include horse welfare and improved biosecurity aspects. Industry will be provided the opportunity to comment on draft changes.

Industry noted concerns about additional department staff required at Sydney airport compared to Melbourne due to the corral design, including the need to supervise showers at Sydney. ABIB advised that The FPOE standards the Sydney corral operates under are different to the approved arrangements class 1.2 standards used at the Melbourne corral. The class 1.2 standards assume that industry will run the site and the department will oversee it, so primary controls are around the facility (infrastructure) for biosecurity management. The FPOE standards are written as though biosecurity officers will remain present on site, so primary controls are biosecurity procedural management rather than the facility (infrastructure).

Industry requested that the department consults with them during the design stages of any new FPOE horse facilities such as Western Sydney Airport. ABIB acknowledged the request and advised that Western Sydney Airport has been advised to aim for a similar standard to the Melbourne Airport horse corral AA site (Class

HORSE INDUSTRY CONSULTATIVE COMMITTEE – Meeting 28 Minutes – 12 May 2023

1.2). ABIB noted that unless the FPOE standards are modified, the department cannot enforce facility design requirements on Western Sydney Airport. If they elect to set up an AA class 1.2 facility, the department will have greater input on facility design.

Industry asked who in the department is liaising with Western Sydney Airport, as they were aware that the airport had previously suggested moving horses 1.2km to offsite facility, which is not suitable. ABIB agreed to provide the details of a department contact to horse transport agents after the meeting. Industry noted that because there is no curfew and more land available, cargo/freighters may favour Western Sydney Airport over Kingsford Smith Airport, turning it into a cargo hub.

ACTION ITEM 3: HLB to provide a department contact to horse transport agents for Western Sydney Airport consultation purposes. This was completed 12 May 2023.

ACTION ITEM 4: ABIB to provide draft changes to FPOE standards to industry for feedback when available.

5. Equine Viral Arteritis

Industry advised that there is an ongoing issue with equine viral arteritis (EVA) export test results reported by state laboratories. Results are reported inconsistently by different laboratories (such as toxic at 1 in 8, negative at 1 in 16, positive at 1 in 8, positive at 1 in 4, unreadable). Additionally, horses that test positive are testing negative on re-bleeds and when blood from the same horse is sent to different laboratories for EVA testing. There have also been instances where a sample tests negative at one laboratory and positive at another. These issues are affecting the export of whole consignments of horses originating from the same property because they cannot meet premises freedom requirements.

Industry suggested that in these instances, positive results reported by laboratories may not be true positives, making it difficult to determine Australia's EVA status. While they understand there are variations in any test and interpretation can vary between technicians, industry indicated they would like to see a reduction in aberrant test results. Two horse transporters have sent example laboratory reports to the HICC Secretariat.

Peter Finin, Animal Biosecurity Branch (ABB), noted that the WOH Terrestrial Manual now allows qPCR (also known as RT-PCR) for EVA however this is not currently an option in our import conditions. ABB will investigate the EVA testing options to determine whether qPCR is useful for determination of EVA status of an individual animal. ABB also agreed to discuss the variability in EVA test results with laboratories to understand what is causing these results.

ABIB advised that Animal Health Australia (AHA) reports positives but may not distinguish if it is a true or false positive. The department does not currently have the resources to go through all reports and check if they are false positives or vaccine responses. ABB advised that in addition to clarifying false positive results, Australia would need to put in place active surveillance to establish our EVA status, which would be expensive. A cost-benefit analysis would need to be conducted before any work commenced.

ACTION ITEM 5: ABB to discuss current surveillance for EVA with Animal Health Policy Branch and clarify if an additional test type (qPCR) can be provided as an option for EVA testing (for both import and export).

ACTION ITEM 6: ABB to contact the NSW and VIC laboratories to better understand the variability in export EVA test results.

6. Animal Biosecurity Branch (ABB) updates

HORSE INDUSTRY CONSULTATIVE COMMITTEE – Meeting 28 Minutes – 12 May 2023

Tania Ware, ABB, advised that the draft Japanese encephalitis (JE) review will soon be available for 60-day consultation via the department's Have Your Say platform. Stakeholders that have registered for live animal updates will receive a notification and trading partners will be advised by Sanitary and Phytosanitary notification. As the review is about removing JE conditions, no issues or concerns are anticipated. After the review is finalised, health certificates and Appendix Bs will be updated.

The department will fully fund the development of piroplasmosis testing work at the Australian Centre for Disease Preparedness (ACDP) and a contract has been provided to ACDP. Onshore piroplasmosis testing is important for exports and for follow-up testing of imported horses. Accreditation could be lengthy and there will be external quality assurance undertaken through inter-lab comparisons with overseas laboratories. Industry advised that the Japanese OIE laboratory is interested in piroplasmosis testing, and developing laboratory partners around the world. VetPath, Perth, have advised ABB recently they can perform ELISA but not IFAT testing for piroplasmosis as there is still a worldwide shortage.

Disease freedom declarations for New Zealand horses that are en route to another destination are being continually worked on with the NZ MPI; ABB will keep HICC updated.

ACTION ITEM 7: ABB to update industry on progress of:

- JE conditions review,
- Development of onshore piroplasmosis testing capabilities, and
- Disease freedom declarations for New Zealand horses that are en route to another destination.

7. Japanese encephalitis

Rachel Iglesias, Office of the Chief Veterinary Officer (OCVO), gave a situation update on JE, including an update on horse vaccine application status on behalf of Dan Edson. Summer was quiet for JE with one infected property in November 2022. This was a pork producing property and the likely period of exposure was thought to be July/August 2022, which is an atypical time of year for mosquito-borne disease in NSW. OCVO is aware of several horses in NSW, SA and VIC that have undergone (or are still undergoing) investigation for flavivirus exposure. The OCVO has not received a formal notification of JE in a horse from the NSW government, meaning that no definitive outcome was reached, JE was ruled out, or laboratory testing is still underway. The pattern of JE in Australia and how it changes over time is still largely unknown. There is a lot of Murray Valley encephalitis (MVE) this year and one theory is that perhaps one virus outcompetes the other.

Information requested from the JE vaccine manufacturer was received recently and progression of the emergency use permit application with the Australian Pesticides and Veterinary Medicines Authority (APVMA) will proceed as soon as possible, considering other departmental priorities. It is hoped that the OCVO can submit the application based on the information already received, but it was noted that after submission the APVMA may still require further information.

The distributor of the vaccine has not been identified at this stage. The Japanese manufacturer has advised that they only produce small quantities for their domestic market. Although relatively small quantities may be achievable for distribution in Australia and the demand in Australia is still under investigation, it is a positive sign that the manufacturer has cooperated to provide the requested information for the APVMA emergency use permit application.

Industry queried whether the JE vaccination special use import permit for vaccination of export horses could be used. ABB advised there is no current special use permit and has not been for several years. Industry expressed concerns that if they do not have access to a JE vaccine, they cannot export horses to Hong Kong or China. ABB advised that the intention is to progress the emergency use permit, however they may need

HORSE INDUSTRY CONSULTATIVE COMMITTEE – Meeting 28 Minutes – 12 May 2023

to discuss a special use permit purely for export purposes with the APVMA. Industry supported this proposition.

Cathy Bunter, Principal Veterinary Officer of the Victorian state government (DEECA), explained that while Victoria has seen MVE in humans, they have not seen the same incidence in Victorian horses. There were more than 80 Victorian horses tested since September 2022 and no confirmed active cases of MVE or JE. For those horses showing antibodies to JE, their import status/life history was investigated. While there may be no way to trace their history in some cases DEECA have managed to track most of the horses and have been able to work out a past period of exposure. DEECA may be prepared to share information with ABIB where there is definitive evidence that the horses have been exposed to JE previously.

ACTION ITEM 8: OCVO to update industry on APVMA JE vaccination emergency use permit application.

ACTION ITEM 9: OCVO to discuss the possibility of a JE vaccine special use permit purely for export use with the AVPMA.

ACTION ITEM 10: DEECA to provide information to ABIB on JE surveillance results in Victorian horses when available.

8. Mickleham Post Entry Quarantine Facility (MQF) - future expansion plans

Ben Wilson, PEQ Operations, updated on the proposed expansion of the horse compounds at MQF. Racing Australia has been consulted and their feedback will be incorporated in the case for expansion. The Department of Finance (landlord of MQF and the group who will likely provide funds required) visited MQF to view the site and discuss issues including Horse Compound expansion. Two options discussed were using the existing land or purchasing and building elsewhere. The department now needs to put together a business case to present to government the need to expand. PEQ Operations will consult industry, requesting details to assist in the development of the business case. It was noted that the business case proposing expansion also covers plant, laboratory, and possibly other animals, and will take time.

Industry asked for a timeframe for approval to proceed with expansion, and for the new facility to be operational. If new land is required to be purchased, it would be a longer period than utilising current land space. This would probably be three to four years until operational. Last year there was investigation on whether an area near Western Sydney Airport was an option. This has not gone forward due to issues such as disease risk due to factors including proximity to the airport and insect vectors in the region. The Department of Finance was consulted about whether the MQF ruminant facility could be repurposed for smaller horse consignments (maximum 8-9 horses). Modifying this existing infrastructure would be quicker and cheaper than expanding MQF.

Industry asked about new Approved Arrangement sites for the post-arrival quarantine of horses, location requirements and the Brisbane Olympics. ABIB stated that AA class 7.12 site requirements include that the surrounding area has a low horse density. Other considerations include vectors such as ticks and mosquitoes. This would rule out Brisbane as a permanent AA site for horses, but the department may consider a temporary site in Brisbane for the Brisbane Olympics if the risks can be managed.

9. Other business

Industry requested an update on the work being done to standardise documents and requirements for consistency between regions exporting horses. VEMB advised that work has been ongoing and industry will be consulted in the near future. The documents for Hong Kong are the closest to being finalised based on industry feedback.

ACTION ITEM 11: VEMB to update industry when horse documentation and requirement guidelines between states are finalised.

10. Finance update – horse stream

Paul Douglas, Finance Division, provided further information and clarification on points raised by industry in the recent out of session fees and charges consultation. Industry expressed concerns that the figures and modelling provided are flawed. Finance Division explained the department has used off-the-shelf modelling software, an Oracle product called Activity Based Costing (ABC), to allocate costs for many years. A consultant, PwC, was engaged more than 12 months ago to assist with work on both exports and biosecurity cost recovery, to bridge a gap identified between knowledge of costs and recovery of costs. As a result, a new model was built that can be transferred between ABC and an excel spreadsheet to show the impact of changes in drivers, work effort and other effects such as inflation more quickly. Changes can then be made to allocate increased or decreased costs to a stream. Accurate inputs are heavily relied on for accurate reporting, and that differences in figures due to errors in inputs do not translate to a flaw in the modelling itself.

The department acknowledges that the complexity of the cost model and scale of the structure means intense scrutiny is required to ensure appropriate cost recovery. Finance Division regularly review operational areas to identify changes in effort and provide assurance of accuracy. Surveys under the cost recovery review helped the department understand where the effort is allocated. Rather than examining an individual employee's daily activities, a cost centre has a percentage effort directed into each activity.

Various factors contributed to price increases for the horse importation charge, including costs that were previously under-allocated in several functions, including frontline (PEQ) and support staff working on policy and instructional material development, veterinary support and technical advice. Essentially, more people were working on the horse stream than previously identified. The re-calibration of effort increased the cost base and with the effects of inflation, contributed to the overall price increase. Changes in supplier charges, such as the Victorian increase in waste disposal, had never been accounted for, and had to be factored in.

Finance Division advised that there would be ongoing discussions around prices and the CRIS with industry in future meetings, and that industry was instrumental in directing further review of new cost recovery figures for horse imports that looked excessively high. Finance Division agreed that the 47% increase sounded unsustainable and responded to the industry feedback by verifying those figures again and ensuring the inputs were correct. Industry was advised that revised figures, closer to the expected CPI increase, would therefore be presented to the Minister for consideration. Finance Division also noted that the Department of Finance and independent agencies are involved in modelling. They advised that pricing recommendations would only be provided to the Minister when Finance Division had confidence in the underpinning methodology and consistency with policy and government frameworks.

Once the final prices are decided by the Minister, the cost recovery impact statement (CRIS) will be finalised. Finance Division will update industry when the Minister decides on the revised prices. The timeframe for release of this information is unclear, and it was noted that the final pricing will have to undergo legislative change after finalisation of the CRIS.

ACTION ITEM 12: HICC Secretariat to provide the finance paper and slides from the Finance Division presentation to HICC. This was completed on 24 May 2023.

ACTION ITEM 13: Finance Division to provide outcome after the Minister has made a decision on biosecurity cost recovery and cleared the information for release.

Note: Industry is welcome to discuss information provided directly with Finance Division.

HORSE INDUSTRY CONSULTATIVE COMMITTEE – Meeting 28 Minutes – 12 May 2023

11. Close and next meeting

The Chair thanked everyone for their attendance and closed the meeting, advising that minutes would be circulated to HICC for comment in the coming weeks. The next meeting is due around November 2023, which will be a virtual meeting. A range of dates will be provided closer to the time.

Meeting finished at 1:20pm.

Summary of action items

ACTION ITEM 1: ABIB to provide draft AA class 7.12 requirement changes to industry for feedback.

ACTION ITEM 2: ABIB to consult with industry on proposed changes to tick examination requirements in PAQ.

ACTION ITEM 3: HLB to provide a department contact to horse transport agents for Western Sydney Airport consultation purposes. This was completed 12 May 2023.

ACTION ITEM 4: ABIB to provide draft changes to FPOE standards to industry for feedback when available.

ACTION ITEM 5: ABB to discuss current surveillance for EVA with Animal Health Policy Branch and clarify if an additional test type (qPCR) can be provided as an option for EVA testing (for both import and export).

ACTION ITEM 6: ABB to contact the NSW and VIC laboratories to better understand the variability in export EVA test results.

ACTION ITEM 7: ABB to update industry on progress of:

- JE conditions review,
- Development of onshore piroplasmosis testing capabilities, and
- Disease freedom declarations for New Zealand horses that are en route to another destination.

ACTION ITEM 8: OCVO to update industry on AVPMA JE vaccination emergency use permit application.

ACTION ITEM 9: OCVO to discuss the possibility of a JE vaccine special use permit purely for export use with the AVPMA.

ACTION ITEM 10: DEECA to provide information to ABIB on JE surveillance results in Victorian horses when available.

ACTION ITEM 11: VEMB to update industry when horse documentation and requirement guidelines between states are finalised.

ACTION ITEM 12: HICC Secretariat to provide the finance paper and slides from the Finance Division presentation to HICC. This was completed on 24 May 2023.

ACTION ITEM 13: Finance Division to provide outcome after the Minister has made a decision on biosecurity cost recovery and cleared the information for release.

Note: Industry is welcome to discuss information provided directly with Finance Division.

Meeting 25 Action Item: Dr Wong to update on the draft policy for laboratories performing official testing for animal diseases. There is a likely decision in the coming months and HICC will be updated accordingly.