



HORSE INDUSTRY CONSULTATIVE COMMITTEE

MINUTES

Meeting 21 Teleconference

Monday 11 November 2019

2.00pm to 3.00pm

Department of Agriculture

Teleconference

Canberra ACT 2601

Participants

Department of agriculture

Wayne Terpstra (Chair)	Animal and Biological Imports
Ainslie Brown	Animal and Biological Imports
Tanya Oliver	Animal and Biological Imports
Emma Ford	Animal and Biological Imports
Peter Finnin*	Post-Entry Quarantine Operations
Tania Ware*	Veterinary and Export Meat Group
Clare O'Shannessy*	Veterinary and Export Meat Group
Beth Cookson	Animal Biosecurity
Allan Sheridan	Animal Biosecurity
Emma McGrath	Animal Biosecurity
Kerry Daly*	Animal Biosecurity
Garry Howarth*	Live Animal Exports

External

Andrew Hamilton*	Equestrian Australia
Kathleen Mullan*	Harness Racing Australia
Josh Murphy*	New Zealand Bloodstock
Chris Burke*	First Point Animal Services
Amy Little*	International Racehorse Transport
Patricia Ellis*	Australian Horse Industry Council
Zoe Wells*	Racing Victoria/Werribee International Horse Centre
Ross Kendall*	Horse Industry Consultant
James Gilkerson*	Australian Veterinary Association

Apologies

Cameron Brown	Harness Racing Australia
Andrew Kelly	Harness Racing Australia
Andrew Small	Racing NSW
Jeffrey Wilkinson	Equine Veterinarians Australia
Barry O'Farrell	Racing Australia
Cameron Croucher	Equine International Airfreight
Anita Tapper	Department of Agriculture (Finance and Business Support)
Leah Wells	Department of Agriculture (Veterinary and Export Meat Group)
Simon Mills	Department of Agriculture (Post-Entry Quarantine Operations)

Teleconference*

Meeting commenced at 2:05pm.

1. Welcome and apologies

The Chair welcomed both newly appointed and continuing members to the Horse Industry Consultative Committee (HICC) for the next three years.

The teleconference was held to update members on the progress of action items arising from the last HICC meeting held on 13 May this year. The Chair acknowledged those who could not attend the teleconference.

2. Action Item 7 (meeting 20) – Update on Hong Kong Assessment

Secretariat to circulate a written update provided by ABB on the Hong Kong interim arrangement and the status of the Hong Kong and EDFZ assessment.

Written updates were circulated to members on 17 May 2019 and 4 November 2019. The update of 4 November outlined the Department of Agriculture's assessment of Hong Kong Special Administrative Region (HK SAR) for the export of horses to Australia.

The department's assessment concluded that HK SAR will be reinstated as an approved jurisdiction for the direct export of horses to Australia. The approval will include the use of the Conghua Training Centre (CTC) in the People's Republic of China (PRC) by Hong Kong horses. Prior to resuming trade, the department must finalise the recent assessment report and negotiate new veterinary health certificates with the Agriculture, Fisheries and Conservation Department of Hong Kong (AFCD).

The draft audit report was provided to all relevant authorities in PRC and HK SAR on 1 November, with responses due by 22 November. No corrective actions were found, but some recommendations were made.

The department negotiations with AFCD for the new veterinary health certificates have concluded. The import conditions are very similar to the previous requirements, with a minor difference in disease freedom attestations.

The department should be in a position to announce publication of the conditions on BICON and recommence trade with Hong Kong by the final week of November.

Animal Biosecurity (ABB) advised members that they were working towards an implementation that would allow horses in the December consignments to travel to Australia from Hong Kong under the new import conditions. However the interim arrangement conditions were currently in place pending finalisation of the Hong Kong assessment.

Chris Burke (International Racehorse Transport (IRT) asked whether horses travelling to Hong Kong and on to the United Kingdom would be able to return to Australia if they did not reside in Hong Kong under the current interim conditions. ABB advised that the re-approval of HK SAR will be retrospective and horses travelling onto third countries will be eligible for return to Australia.

ABB will be writing to other countries to advise of Hong Kong's re-approval for the import of horses to Australia. An Appendix B is also being prepared and will be published on the department's website.

Action Item 7 from meeting 20 is now closed.

Action Item 1: The Hong Kong update provided to members on 4 November 2019 to be re-circulated to HICC members.

3. Action Items 5 & 6 (meeting 20) – Appendix B Issues

Industry to send cases or examples of reoccurring Appendix B issues to ABB who will look at developing guidance notes for the relevant country Appendix B's.

ABB to develop a list of key contacts for each country with an agreed Appendix B and circulate this to members to help with troubleshooting Appendix B issues.

ABB wrote to the relevant Competent Authorities on 8 October requesting operational contacts for issues with Appendix B's. So far 10 countries have replied and ABB continue to follow-up with the countries that have not yet responded.

A recent teleconference between ABB and our Agricultural Counsellor in Brussels discussed issues with Appendix B's. A common problem is Official Veterinarians (OV) not wanting to sign documents for horses that they have not personally assessed. A possible solution was reached by splitting Appendix B documents into two sections – one for disease freedom for the time that the horse was in the country and the second section for an owner declaration for horse specific clauses such as piroplasmiasis treatments and testing. Drafts of the new format are being prepared along with a guidance document and will be sent to exporting countries for comment.

The envisaged outcome is to provide a guidance document to each exporting country with a list of contacts both in the exporting country and the Department of Agriculture, which exporters and certifying OVs can use to assist with Appendix B questions. The aim is to streamline the certification process and avoid last minute problems. The department contact will likely be the horses@agriculture.gov.au email address, monitored by the Animal and Biological Imports Branch (ABIB). The contacts in exporting countries will be distributed to importers when complete.

If there are any other reoccurring problems once these processes are in place, members should advise ABB.

Action Items 5 & 6 from meeting 20 are now closed.

4. Action Item 1 (meeting 19 and 20) – Surplus funds collected through levies

Wayne Terpstra to discuss the use of surplus funds collected through levies to support industry research and development objectives with the Chief Financial Officer. Action item 1 from meeting 19 to stay open.

A representative from the Levies Revenue Service to attend the next HICC meeting to provide a summary on how levies can be used to support industry Research and Development objectives

A representative from the Finance and Business Support (FaBS) team was not available, however an update was provided to the Chair to present to members:

Update provided by FaBS:

The department maintains a Cost Recovery Reserve (CRR) for each arrangement to manage unanticipated changes in activity that cannot immediately be managed through expenditure alone. Over recoveries may be managed through reductions in fees and charges known as remissions, or investment initiatives.

Any proposal for projects to be funded from industry reserves form part of the Department's internal budget process and policies. The delegation to approve any projects sits with the Department's Secretary. Industry can submit proposed projects through their relevant program area who will assess the proposal to determine if appropriate to take the next steps for inclusion in the Department's internal budget process.

The biosecurity cost recovery reserve covers a number of importing industry arrangements. The balance of the Biosecurity Cost recovery reserve, as at 30 June 2019 is \$36.3m. However, it is important to note that the PEQ Horse arrangement cost recovery reserve balance is currently a deficit of \$0.689m. While it has run at a surplus since 2016-17, those surpluses haven't yet covered the deficit balance from earlier years. The Horse arrangement reserve being in deficit means there are no surplus funds available to allow prescribed activities to be undertaken in accordance with the current Biosecurity Cost Recovery Implementation Statements.

The Chair explained that changes in fees are necessary depending on the cost recovery performance. For example, increased fees following under recovery or decreased fees following a surplus of funds.

Additional queries regarding cost recovery should be made through HICC to Wayne Terpstra and Beth Cookson in the first instance.

Any changes to horse charges will be discussed with industry. The Chair noted that from experience it would not be a quick process, likely a minimum period of 18 months.

Chris Burke (IRT) asked how quickly the deficit is being paid off and asked if a projection of the cost recovery reserve balance for horses could be provided.

Action Item 1 from meeting 20 is now closed.

Action Item 2: ABIB to discuss the PEQ horse arrangement cost recovery reserve deficit with FaBS to see if a projection is possible and provide an update to members.

5. Action Item 2 (meeting 20) – Distribution of the March 2019 quarterly finance report.

Once finalised, the Finance and Business Support (FaBS) team will provide the March quarter report to the secretariat for circulation to members out of session.

The March quarterly report was circulated to HICC members on 11 July 2019. The June quarterly report should be ready for circulation soon and will be circulated to members through the HICC secretariat when available from the Finance and Business support (FaBS) team.

Action Item 2 from meeting 20 is now closed.

Action Item 3: Secretariat to circulate the June quarterly finance report to members when it becomes available from FaBS.

6. Action Item 3 (meeting 20) – Offshore charging guidelines

Once FaBS has completed the amalgamated offshore charging guidelines, the secretariat will provide it to the HICC members for their targeted feedback.

A representative from FaBS was not available, however an update on the progress of updating the offshore charging guidelines was provided to the Chair to present to members:

Notes provided by FaBS:

Unfortunately FaBS have not been able to progress the guidelines due to other competing priorities and are unable to provide a firm date.

The Chair acknowledged that although there is not a lot of work involved in completing the guidelines, the FaBS area are under pressure with cost recovery items in the export space particularly following the government's decision not to proceed with the biosecurity levy proposal.

Action Item 3 from meeting 20 to stay open.

7. Action Item 8 (meeting 20) – Industry engagement in the development of NEXDOC

LAE Operations and Wayne Terpstra to speak with relevant colleagues in Information System Division (ISD) and Exports Division about industry engagement in the development of NEXDOC.

Garry Howarth from Live Animal Exports (LAE) provided an update to members and advised that the expected release date of NEXDOC will be in 2021. The release will be commodity specific and industry will be consulted when the release date for horse exports get closer.

Chris Burke (IRT) noted that in the past industry have been consulted too late in the process, normally when software has already been developed, only to find it is not fit-for-purpose and subsequently requires heavy adapting to try to make it work. Chris suggested that engagement with industry much earlier i.e. during software development, makes more sense and will be more efficient. This was noted by Garry Howarth and Wayne Terpstra who will ensure it is passed onto the relevant contacts. Multiple consultation periods may be required to allow sufficient industry input.

Action Item 8 from meeting 20 to stay open.

8. Action Item 11 (meeting 20) – New exports legislation

Secretariat to organise a member of the Exports Division to attend HICC meeting 21 to provide an update on new exports legislation.

Garry Howarth informed members that the HICC has been identified as a key consultative group and information sessions on animal rules will be offered to members for the opportunity to discuss.

Drafting on the animal rules will commence in November 2019 and should be open for comment in early 2020. Any non-confidential submissions will be published on the department's website and be available for members.

Action Item 11 from meeting 20 to stay open.

9. Action Item 4 (meeting 20) – Issues with consignment scheduling and booking for the Mickleham horse compounds

ABIB to work with PEQ Operations to develop a protocol to resolve consignment booking and scheduling issues for Mickleham.

Peter Finnin from Post-Entry Quarantine (PEQ) Operations updated members on the Mickleham horse schedule for 2020 quarantine intakes.

PEQ Operations have been in discussions with importers and are currently developing a schedule of intake windows for the 2020 calendar year. It will include consolidation to the sharing of one horse compound when smaller numbers of horses are imported, which will facilitate ongoing maintenance of the compounds throughout the year.

In regards to space availability for horses at Mickleham, new procedures will be used to schedule large consignment bookings when the number of proposed horses exceeds the stall space available. Details that will be used to make decisions in these cases may include the allocation of resources, history of compliance, history of payment for services and history of the number of horse stalls used versus the number of stalls booked. Incentives around good behaviour for the number of stalls booked vs the number of horses that arrive, are also being considered.

Once the proposed schedule and new booking procedures are developed, PEQ Operations will discuss further with importers. A draft is expected to be ready for discussion towards the end of November 2019.

Peter Finnin also provided members with a brief update regarding the project for installing rubber belting around the inside of day yards at Mickleham. Contractors have sourced some rubber belting to place in yards with no current belting and replace PVC belting currently in other yards. More rubber belting still needs to be sourced, however there are plans to get this current batch of belting in place prior to the large horse consignments scheduled to arrive at the end of November.

Action Item 4 from meeting 20 is now closed.

10. Action Item 9 (meeting 20) – EU breeding accreditation

Adam Powell to put together more information on EU breeding accreditation and provide it to the secretariat for circulation to HICC members out of session. ABIB will act as conduit for applications for EU recognition of horse breeds.

Tanya Oliver provided a summary of discussions that were held with those parties involved with and interested in becoming accredited with breeds recognised by the European Union. Information was distributed to members on 1 August 2019. Any members wishing to discuss this item further can contact Tanya Oliver at Horses@agriculture.gov.au.

Action Item 9 from meeting 20 is now closed.

11. Action Item 10 (from meeting 20) – HICC terms of reference and nominations

Secretariat to circulate the current terms of reference to members, send out the new terms of reference for comment and distribute nomination letters.

New members were appointed and the new terms of reference for the next three years were finalised in September 2019. Members had no questions or comments.

Action item 10 from meeting 20 is now closed.

12. Close meeting and next meeting

The Chair made a quick mention regarding the consultation period for the guidelines on Property Identification Codes for animals. The consultation period has been extended until Friday 15 November 2019, if any members would like to provide feedback.

It was agreed that the next HICC meeting (22) will be held face to face in approximately April or May 2020. PEQ Operations offered to host the next meeting at the Mickleham Post-Entry Quarantine facility which was welcomed by members. The secretariat will circulate some options of dates in the New Year.

The Chair closed the meeting and thanked members for their time and input throughout the teleconference.

Meeting finished at 2:55pm

Summary of action items

Action Item 3 (meeting 20): Once FaBS has completed the amalgamated offshore charging guidelines, the secretariat will provide it to the HICC members for their targeted feedback.

Action Item 8 (meeting 20): LAE Operations and Wayne Terpstra to speak with relevant colleagues in Information System Division (ISD) and Exports Division about industry engagement in the development of NEXDOC.

Action Item 11 (meeting 20): Secretariat to organise a member of the Exports Division to attend HICC meeting 21 to provide an update on new exports legislation.

Action Item 1 (meeting 21): The Hong Kong update provided to members on 4 November 2019 to be re-circulated to HICC members.

Action Item 2 (meeting 21): ABIB to discuss the PEQ horse arrangement cost recovery reserve deficit with FaBS to see if a projection (of how quickly this is being paid off) is possible and provide an update to members.

Action Item 3 (meeting 21): Secretariat to circulate the June quarterly finance report to members when it becomes available from FaBS.