

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

(No. 2, March 2009)

Background

I have been kept apprised by the Department of Agriculture, Fisheries and Forestry (DAFF), including Biosecurity Australia and the Australian Quarantine and Inspection Service (AQIS), of developments. I have read AQIS's and Biosecurity Australia's written summary of the administrative response to each recommendation, as provided to me in February. I have also been copied into the fortnightly reports prepared by the department for your office.

On 12 January 2009 I met with departmental officials to discuss preparations for the delivery of this report. On 20 February I again met to further discuss implementation measures with relevant department managers including, in particular, Dr Ann McDonald, Mr Scott Channing and Mr Murli Baker-Gabb (Animal Quarantine Branch, AQIS); Ms Fran Freeman, Ms Kirsty Faichney and Mr Cameron Hutchison (Quarantine and Biosecurity Policy Unit, DAFF); Dr Colin Grant, Dr Mike Nunn and Dr Robyn Martin (Biosecurity Australia); as well as Dr Andy Carroll, Australian Chief Veterinary Officer. I also met with Dr Conall O'Connell (Secretary, DAFF) and Mr Rob Delane (Deputy Secretary, DAFF and Executive Director, AQIS). I have been extended full and open cooperation. I thank the officers for sharing their experience with me.

I have also met with a range of industry representatives to discuss their views on the implementation of the inquiry's recommendations and other industry related issues, including:

- 2 February 2009 - meetings and a tour of Hunter Valley horse studs with the Hon. Peter McGauran, Chief Executive Officer, Thoroughbred Breeders Australia; Mr Trevor Lobb, Stud Principal, Darley Stud and President, Thoroughbred Breeders Australia; Mr John Messara, Stud Principal, Arrowfield Stud and former President, Thoroughbred Breeders Australia; and Mr Michael Kirwan, Stud Principal, Coolmore Stud. I was accompanied by Dr Peter Dagg (Principal Veterinary Officer, Veterinary Public Health Section, Office of the Chief Veterinary Officer).
- 3 February 2009 - a meeting with Mr Rob Hines, Chief Executive Officer, Racing Victoria Limited; and Mr Leigh Jordon, General Manager Racing Operations, Racing Victoria Limited. Dr Mike Nunn (Principal Scientist, Biosecurity Australia) also attended.
- 5 February 2009 - a meeting with Mr Crispin Bennett, Crispin Bennett International Horse Transport; and Mr Chris Burke, International Racehorse Transport Australia. Dr Ann McDonald (National Manager, Animal Quarantine Branch, AQIS) also attended.
- I would like to place on record how informative I have found the meetings with industry representatives and how professionally they have put forward their concerns. This is particularly notable given that the global financial crisis and economic downturn are placing significant pressures on many of Australia's horse industries. The Horse Industry Consultative Committee, which you have established, can give a formal voice to the multifarious concerns of a diverse industry and should be used to help inform AQIS administration.

Horse Disease Levy Bill

In my own dealings with representative groups I have become aware of the frustration of many in the industry about the defeat in the Senate in February 2009 of the Horse Disease Levy Bill. My judgment is that nearly all the major industry bodies saw the Bill as a way of providing financial certainty on government funding arrangements if there should be another equine disease outbreak.

There is genuine concern that, in the absence of legislation guaranteeing government aid, many horse owners could face crippling financial exposure if equine influenza was to reoccur. They do not now enjoy the protection afforded by a levy system as is the case in other livestock industries. There is a well-founded fear that, without legislative authority, the planning and future implementation of any emergency disease response will be weakened.

Certainly it is the case that the horse industry still has no agreed arrangements to fund its share of obligations in response to another outbreak of equine influenza (or other emergency disease). Unlike other livestock industries the horse industry cannot now be a signatory to the Emergency Animal Disease Response Agreement. In my view this significantly weakens readiness for another crisis.

Progress in Implementation

I have set out, in an attachment, a detailed statement of progress against each deliverable set out in the Equine Influenza Inquiry Response Project (EIIRP). In summary, I can inform you that in my judgment DAFF continues to make good progress. AQIS has been working closely with Biosecurity Australia, the Quarantine and Biosecurity Policy Unit and industry stakeholders to implement the government response, including the new interim quarantine measures, import conditions and instructional material. It has provided effective support to the interim Inspector General of Horse Importation.

A number of project deliverables have been completed since the last progress report in October 2008. Most of the remaining deliverables are all progressing as scheduled and are expected to be completed by the relevant due dates. Biosecurity Australia's report on post-arrival quarantine (PAQ) procedures and operations due at the end of February 2009, is likely to be delivered two to three weeks later than scheduled. Biosecurity Australia will need to take into account the Expert Group's recommendations on PAQ facilities (due 27 February 2009) before finalising its report. The Expert Group on Horse Importation report has been delayed and I understand it is expected to be handed to the Executive Director of AQIS on 11 March 2009.

Notable achievements since the first progress report include:

- finalisation of revised AQIS work procedures and import conditions;
- completion of a process to approve pre-export quarantine (PEQ) facilities and approval of, or interim approval of, 33 PEQ facilities;
- completion of the Expert Group on Horse Importation's inspections of PAQ facilities; and
- the interim Inspector General of Horse Importation's audit of PAQ facilities in Australia and audits of PEQ facilities in the United Kingdom, Ireland, Germany, Hong Kong, Macau and the United Arab Emirates.

As I noted in my first report, implementation is a complex story, with responsibility shared between three agencies (the Quarantine and Biosecurity Policy Unit of DAFF, the Horse Import Program in AQIS and Biosecurity Australia). There is also a range of internal and/or external review mechanisms including the Expert Group on Horse Importation (EGHI), the Horse Industry Consultative Committee (HICC) and the Equine Influenza Expert Panel (EIEP)

established by the Primary Industry Minister's Council (PIMC) in November 2008. I believe that the interim Inspector General of Horse Importation (IIGHI) will conclude his review of PEQ and PAQ arrangements, ahead of schedule, in the first half of this year.

The EGHI has finished its review of PAQ facilities and I will report on implementation of its recommendations in my next report. You announced the EIEP in January and the Panel, chaired by Mr Roger Beale AO has now been briefed. Having consulted with stakeholders, it will report by June 2009 on options to minimise the consequential impact of any future equine influenza outbreak. I understand that, among other matters, the EIEP will consider the merits of an ongoing vaccination program.

At the same time, Biosecurity Australia has now completed its own review of pre-export and post-arrival risks and will, by January 2010, complete its Import Risk Analysis (IRA) for horses. All of this related activity - which, for my own convenience, I've had set out in the attached diagram - is taking place within the framework of your government's response to the report of the independent review of Australia's biosecurity and quarantine arrangements (the Beale Review).

I have satisfied myself that there is significant collaboration between the members of these groups and a good understanding of their respective roles and responsibilities. I will continue to monitor this matter closely. In the meantime, I recommend that the HICC be fully briefed on the range of activities so that it comprehends clearly to whom its questions, comments and advice should be directed. I intend to meet with the HICC to discuss their understanding (and views) prior to my next report to you.

In the meantime, and following the procedure I established in my first report, I will now comment on some of the thorny issues which have emerged in my oversight of the administrative implementation of the recommendations of the Callinan Inquiry.

Imports from Japan

A number of the thoroughbred stud principals, and the Thoroughbred Breeders Australia on their behalf, have emphasised to me their extreme frustration at the fact that there has been no resolution of the ban placed on the importation of horses directly from Japan. To them it appears like bureaucratic inertia or preoccupation with protocol. I have questioned officials carefully on this matter.

I have established that Biosecurity Australia has had a number of meetings with Japanese officials in the past year at which the issue of equine influenza was discussed. I set these out below:

7-8 February 2008	Biosecurity Australia participated in the Japan-Australia bilateral animal health meeting in Tokyo and discussed a range of issues including equine influenza.
13-14 October 2008	Biosecurity Australia participated in the Japan-Australia bilateral animal health meeting in Canberra and discussed a range of issues including equine influenza.
17 December 2008	Biosecurity Australia wrote to the Japanese Ministry of Agriculture, Forestry and Fisheries (MAFF) seeking information on equine influenza vaccines and the epidemiological investigations into the initial introduction of equine influenza virus into Japan.
31 January 2009	The Australian Embassy in Japan advised that MAFF is working hard to produce an early response and MAFF was confident it could address any concerns that Biosecurity Australia had.

I have examined the letter sent in December 2008 from Dr Robyn Martin (General Manager, Animal Biosecurity, Biosecurity Australia) to Mr Takashi Himeda (Director, Animal Health Division, MAFF). It seeks details of Japan's surveillance for equine influenza virus and, in particular, testing protocols. It requests information, too, on vaccine developments and any trial results. Following receipt of the information, Biosecurity Australia has signalled that it wishes to visit Japan in order to set in place arrangements for the future certification of horses from Japan.

A response was received through the Australian Embassy in Japan in late January but, as of the beginning of March, no further information has been provided. I recommend that directly, or through HICC, Biosecurity Australia provide a detailed briefing to Thoroughbred Breeders Australia on what information is required in order to expedite progress. This should be done as soon as possible. In the meantime, I suggest that consideration be given to whether one-off supervised PEQ arrangements might be able to be set in place that would allow direct importation of horses for the 2009 Spring Racing Carnival.

Imports from the United Arab Emirates

Another issue that has been raised with me by some horse importers has been the conditions placed on the movement of horses from the United Arab Emirates (UAE) to Australia. I understand that there is a growing interest in sending Australian horses to the UAE for competition and then returning these horses afterwards.

Australian importers would prefer to use the re-importation conditions. These conditions require fewer tests and less time in quarantine. However, they also require the horses to be under certain controls throughout their time in the UAE. I understand that the UAE could have trouble maintaining these controls. AQIS has attempted to resolve these issues and has consulted with the importers, Biosecurity Australia and the UAE authorities. While some of the problems appear to be manageable, the UAE will not be able to maintain the required 100 metres separation between Australian horses and other horses. I understand that this is due to the large number of international horses housed at the quarantine centre in Dubai prior to competition.

The question is how to provide the necessary biosecurity while facilitating ease of entry. My understanding is that the UAE is presently unable to comply with the re-importation conditions. I do not believe these conditions should be relaxed. However, there is another option. AQIS informs me that there should be no significant problems meeting the permanent importation conditions. These conditions allow local UAE horses and returning Australian horses to be imported into Australia. I suggest that AQIS work with interested international horse transport agents to establish a scheme for re-entry applying permanent importation conditions.

Quarantine Stations

In my discussions with industry representatives it has become apparent that there are significant concerns in the horse industry about the future of Australia's quarantine stations. While I do not believe the present situation is as dire as some perceive, it is a matter that warrants immediate attention.

I am aware that Racing Victoria Limited (RVL) would like to explore a move from Sandown Quarantine Station (the only facility that provides for track training during quarantine). AQIS is sympathetic to this wish. I understand that they are awaiting details from RVL on a possible move to Werribee and will then seek to progress the proposals.

Spotswood Quarantine Station (Melbourne) is zoned for industrial purposes. The lease expires at the end of 2010. Although the land is zoned for industrial purposes I understand that the lessor would like the lease to be extended. However, the facilities need to be upgraded. In

particular, I understand from Dr Paul O'Callaghan, RVL's Chief Veterinary Officer, that the standard of surgical facilities requires improvement. This matter should be addressed.

AQIS is in the process of exercising its option to extend the lease on Eastern Creek Quarantine Station (Sydney) to 2015. It must be exercised by September 2009. There is concern whether the lease will be extended and, if so, that any increase in rent will necessarily be reflected in the costs of the Horse Importation Program.

I believe that the longer-term future of Australia's PAQ facilities needs to be considered as a matter of some urgency. This is a matter which extends far beyond my ambit. I do note, however, that I have received suggestions in conversations with some major industry stakeholders that they may have an interest in providing some funding to assist with the establishment of new facilities. You may wish to explore whether this is a substantive proposal and if it has any merit.

Costs

It is not surprising, in the current economic climate, that all parts of the horse industry are concerned about the costs of horse importation and the impact that this might have on the volume of trade.

According to the Thoroughbred Breeders Association (TBA) the costs of bringing a shuttle stallion to this country from Ireland has increased from around \$25,000 in 2004 to \$45,000 in 2008. Of this, the additional import conditions and increased AQIS fees are estimated to be \$5,000. Travel costs and, more recently, the decline in the value of the Australian dollar are far more significant factors. The major cause of concern that I discern is the perceived inequity of the two-tier quarantine fee put forward by the Callinan Review and agreed by the government.

Shuttle stallions represent only about one in ten of horses coming to Australia from overseas (excluding New Zealand). To present a broader picture, I am grateful for the following information provided to me, through TBA, by Quentin Wallace of International Racehorse Transport (IRT).

The median free-on-board (FOB) value of horses imported by IRT last year was A\$41,000 (mean A\$84,000). The rising cost of freight transport and quarantine for shipping a horse in a single stall is now estimated to range from A\$20,000 (ex Europe) to A\$25,000 (ex USA). With freight costs comprising such a high proportion of the value of many horses - indeed in some cases more than the value of the horse - it is understandable why there is concern that the market will decline, including for imported thoroughbred mares which enhance the Australian gene pool.

It is clear that the additional costs of quarantine as a result of the implementation of the recommendations of the Callinan Review are a relatively small part of the financial challenges faced by horse importers. It is equally apparent that in an industry in which costs are rising sharply during a global economic downturn, it is hard to absorb any additional financial pressures. Against this it needs to be borne in mind that another outbreak of equine influenza, particularly in the absence of legislative authority for cost-sharing, is likely to be devastating for the industry. The challenge, which I will oversight, is to ensure that the implementation of new measures imposes the minimum costs necessary to ensure effective biosecurity.

Paperwork

It is difficult to introduce substantively more rigorous quarantine procedures for horse importation without introducing greater administrative burdens. Nevertheless, the goal should be to keep red-tape to the absolute minimum necessary to ensure that proper quarantine procedures are followed.

I was sympathetic to the concerns raised by representatives of the horse transport industry about the time required for their drivers to fill out the new forms every time they were involved in a delivery. In this instance, AQIS and I were in agreement that it would be better to accredit non-AQIS personnel that work regularly at quarantine stations so that they would need to go through a time consuming and detailed process only periodically.

This relatively minor example is symptomatic of the broader challenge. I propose that AQIS meet with industry representatives to discuss the various reports on PEQ and PAQ procedures as they are received to explore how best to implement the proposals. I will update you, in my next report, on the extent to which this has been done.

The Future

Subject to your agreement, I intend to continue my oversight role until mid-2010. It is important that as the Commonwealth government responds to the reports that it will be receiving over the next nine months from the EGHI, EIEP, IIGHI and the IRA from BA (and as I find my way through this acronymic jungle) there is continuing scrutiny of implementation.

I anticipate that as these reports are scrutinised, and as the recommendations of the Beale Review are set in place, some of the proposals put forward in the Callinan Review may require modification. The proposed creation of an Inspector General of Biosecurity, to take one obvious instance, suggests that a separate Inspector General of Horse Importation may not now be necessary.

My intention is to provide you with assurance that the recommendations made by Justice Callinan, and which the government has accepted, provide the level of biosecurity intended. This may mean that on some occasions the detailed proposals are varied. I will bring to your attention any proposals to modify the response to the recommendations and evaluate them in light of the purpose for which Justice Callinan had put them forward.

I am ready to meet with you at your convenience to discuss any matters that I have raised in my report or other issues related to implementation of the Callinan Inquiry.

Prof. Peter Shergold

10 March 2009

ATTACHMENT: SUMMARY OF PROGRESS

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

1FR-1 Updated Quarantine Act 1908

Due: On-going – 1st milestone – Sept 2008

This deliverable is on track. 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 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 independent review of Australia's quarantine and biosecurity arrangements, chaired by Mr Roger Beale AO (the Beale Review) and the government's preliminary response. The government agreed in-principle with all of the review panel's 84 recommendations. The Beale Review's report recommended that new biosecurity legislation be drafted to replace the Quarantine Act 1908 and new institutional arrangements be established, including the establishment of an Inspector General for Biosecurity to undertake independent audits of the biosecurity continuum. The report recommended that the functions of the Inspector General of Horse Importation be subsumed by the Inspector General of Biosecurity. The government will take administrative steps to consolidate the government's biosecurity functions within DAFF from 1 July 2009. An Inspector General of Biosecurity will be appointed on an interim basis, in advance of the new legislation coming into force.

In light of the release of the Beale Review recommendations, it is anticipated that this EIIRP deliverable - 1FR-1 Updated Quarantine Act 1908 - will need to be amended and that the components relating to the "Powers for the Inspector General of Horse Importation" and "Powers for AQIS officers" will be incorporated into the implementation of the government response the Beale Review recommendations.

1FR-2 Updated Horse Import Budget

Due: Feb 2010

This deliverable has not commenced and will not do so until a comprehensive fee review of horse imports is completed and the finalisation of the reviews of PAQ and PEQ facilities, operations and procedures, and the Biosecurity Australia horse import risk analysis.

The Horse Import Program is undertaking a mid-year review of its current budget. The revised program 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 airports and quarantine stations. The Horse Industry Consultative Committee Finance Sub-committee will be meeting in March 2009 to consider the Horse Import Program Budget and options to recover the current deficit.

1FR-3 Updated Import Conditions

Due: On-going – 1st milestone – Oct 2008, 2nd milestone – Jan 2010

The first milestone has 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 (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, the 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 Australian 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 (2nd milestone) will take place after Biosecurity Australia completes the import risk analysis for horses or in light of recommendations in the reports reviewing activities during PEQ and PAQ.

1FR-4 Updated AQIS Instructional Material

Due: On-going – 1st milestone – Jan 2009, 2nd milestone – Oct 2010

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

Further amendments will be made once reviews of PAQ facilities and operations have been completed by the Expert Group on Horse Importation and Biosecurity Australia (Deliverable 3RR-3). AQIS will also take into consideration any findings and recommendations from the interim Inspector General for Horse Importation's report to the Minister for Agriculture, Fisheries and Forestry which is expected to be submitted in April 2009.

1FR-5 Other Airports and Ports Arrangements

Due: June 2010

This deliverable is on track. The Horse Industry Consultative Committee (HICC) discussed quarantine and biosecurity arrangements for horse imports at airports and ports other than Sydney and Tullamarine airports when it met on 30 July and 29 October 2008. Following these discussions AQIS is developing a protocol which will be presented at the next HICC meeting on 22 April 2009 for further consideration.

2P-1 Appointed Interim Inspector General of Horse Importation

Due: Sept 2008

This deliverable is complete. Dr Kevin Dunn, the interim Inspector General of Horse Importation, commenced in his position on 19 September 2008.

2P-2 Appointed Inspector General of Horse Importation

Due: Jan 2009

As mentioned previously under 1FR-1, the Beale Review's report 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 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, whose functions will replace

those of the interim Inspector General of Horse Importation. Timing on the appointment of the interim Inspector General of Biosecurity is yet to be determined.

2P-3 Appointed Officer Responsible for Horse Imports

Due: Jun 2008

This deliverable is complete. On 20 June 2008, the Secretary announced the appointment of Dr Ann McDonald as the AQIS Officer Responsible for Horse Imports.

2P-4 Expert Group Established

Due: Aug 2008

This deliverable is complete. An Expert Group 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 has been established. Biosecurity Australia is an observer on the Expert Group. At the first meeting of the Expert Group on 5 September 2008, members agreed to the terms of reference and terms of engagement.

2P-5 Appointed Import Risk Analysis (IRA) Team Leader

Due: Jun 2008

This deliverable is complete. On 20 June 2008, the Secretary announced the appointment of Dr Mike Nunn as the team leader of the IRA for horse imports.

2P-6 Consultative Arrangements Established

Due: Aug 2008

This deliverable is complete. AQIS has established the HICC comprising representatives from the Australian Horse Industry Council, Australian Racing Board, Equestrian Federation of Australia, Australian Harness Racing, Thoroughbred Breeders Association, 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 29 October 2008. The next meeting of the HICC will take place on 22 April 2009 in Sydney.

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 EI 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 an update on EI implementation to the AHC meeting in September 2008 and provided a further update at its meeting at the end of February 2009.

2P-7 Appointed and Trained AQIS Personnel

Due: On-going – 1st milestone – Aug 2008, 2nd milestone – Feb 2009

This deliverable is on track. The first and second milestones have been met. Immediately following the release of the EI Inquiry report the 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 were increased for the 2008/09 financial year to manage horse imports in accordance with revised work procedures.

As part of the mid-year budget review and following finalisation of the instructional material for horse imports, staffing levels in the Horse Import Program have been further reviewed and amended. There have been slight increases in staffing levels in the regions to manage horse

imports and the Quarantine Station Manager position at Spotswood has been upgraded and is currently being advertised. There has been a small reduction in staff levels in the Canberra office.

Soft-copies of AQIS instructional material have been placed on the AQIS intranet site and hard copies of all material are located at premises where activities are performed. Staff have been advised where to locate 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 is currently being updated to reflect the revised instructional material. Staff training needs are being continually assessed as instructional material is updated.

2P-8 Trained/Informed Non-AQIS Personnel
Due: On-going – 1st milestone – Oct 2008

This deliverable is on track. 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 the quarantine station.

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.

3RR-1 Pre Export Quarantine Review Report
Due: Feb 2009

This deliverable is on track. Biosecurity Australia officials conducted visits to review PEQ arrangements to all the major countries exporting horses to Australia - the United States (US) the United Kingdom (UK), Ireland, the United Arab Emirates, Germany, Macau, Hong Kong and Singapore. Visits were also undertaken in October 2008 to the UK and Ireland for horses travelling to Australia for the Melbourne Cup. It is planned that a Biosecurity Australia officer will accompany a consignment of horses on flights from the US and Europe, to Australia, to allow a complete review of the activities and events from the commencement of PEQ to the completion of PAQ. Because of limited seating availability it has not been possible to arrange this to date. Biosecurity Australia's PEQ was submitted to the Executive Director of AQIS on 27 February 2009.

3RR-2 Interim Quarantine Measures Review Report
Due: Sept 2008

Biosecurity Australia notified stakeholders (domestic and international) via a Biosecurity Australia Advice (available on the Biosecurity Australia website) of the amended interim quarantine measures on 18 September 2008. No further amendments are anticipated until the horse import risk analysis is completed.

3RR-3 Post Arrival Quarantine Review Reports
Due: Feb 2009

Two post arrival quarantine (PAQ) review reports are being prepared. Firstly, the Expert Group has inspected and reviewed facilities at the airports and quarantine stations and will provide advice to AQIS on biosecurity containment. Secondly, Biosecurity Australia has inspected and reviewed PAQ procedures and activities and will provide recommendations to AQIS on any changes that should be made.

On 10-12 October 2008, the Expert Group met with industry stakeholders, AQIS regional staff and inspected facilities at Melbourne Airport, Spotswood and Sandown Quarantine Stations. On 26 and 29 November 2008, and 7 January 2009, the Expert Group visited Sydney to inspect facilities at Sydney Airport and Eastern Creek Quarantine Station. During its visit to Sydney on 26 November 2008, the Expert Group also met with industry stakeholders and AQIS regional staff.

Following its inspection of facilities at Eastern Creek Quarantine Station, the Expert Group wrote to the Executive Director of AQIS expressing significant concern with the showering arrangements at the quarantine station. The Expert Group recommended AQIS improve the showering arrangements as a matter of urgency to better manage biosecurity risks. AQIS is progressing changes to the showering arrangements as recommended.

The Expert Group has finished its inspections and is currently preparing its report. The Chairman of the Expert Group met with industry representatives and AQIS staff on 19 February 2009 to discuss the conclusions of the report before it is finalised and submitted to the Executive Director of AQIS.

Biosecurity Australia officers have undertaken a number of visits to Sydney and Melbourne PAQ facilities. Some of these visits have been undertaken in conjunction with the interim Inspector General of Horse Importation, the Expert Group and members of the expert panel assisting with the horse import risk analysis.

Biosecurity Australia's report on PAQ processes, which was due at the end of February 2009, is likely to be delivered two to three weeks later than scheduled. Its completion has been delayed so that the Expert Group's recommendations can be taken into account in Biosecurity Australia's report.

Biosecurity Australia has also reviewed and provided some preliminary comments on the current AQIS standard operating procedures (SOPs) and the associated work instructions. As the reports by the Expert Group and Biosecurity Australia are likely to lead to changes to PAQ facilities and procedures to mitigate risk, there will be a need for current SOPs and work instructions to be amended. Biosecurity Australia will provide further comment and advice to AQIS on any amended SOPs and work instructions.

3RR-4 Import Risk Analysis Review Report Due: Jan 2010

This deliverable is on track. The commencement of the horse IRA was announced on 30 September 2008. Dr Mike Nunn, Principal Scientist, Animal Biosecurity, is leading the IRA team. An expert panel comprising Dr Patricia Ellis (animal health consultant); Dr James Gilkerson (Director, Equine Infectious Disease Laboratory and Centre for Equine Virology, University of Melbourne); and Dr Hugh Millar (Deputy Director, Biosecurity Victoria and Victorian Chief Veterinary Officer) is assisting Biosecurity Australia with its consideration of scientific issues.

Biosecurity Australia officers are writing draft chapters of the IRA and are seeking comments from the expert panel. The expert panel met in Canberra on 19 December 2008 to review the first set of draft chapters. A second meeting was scheduled for 3 and 4 March 2009 to review the second set of draft chapters.

Biosecurity Australia will consider access for horses from Japan as part of the horse IRA. Biosecurity Australia wrote to the Japanese authorities in December 2008 seeking information on its equine health status, in particular on equine influenza, and is awaiting a response.

**3RR-5 Interim Inspector General of Horse Importation Report to the Minister
Due: Apr 2009**

This deliverable is on track. Dr Kevin Dunn, the interim Inspector General of Horse Importation has conducted an inspection and audit of six PEQ facilities in the UK (3), Hong Kong (2) and Macau (1) in late October and early November 2008. In January and February 2009, Dr Dunn inspected a further seven PEQ facilities in Germany (1), Ireland (5) and the UAE (1). He has also completed his review of PAQ facilities in Australia by conducting inspections and audits of Eastern Creek, Spotswood and Sandown quarantine stations and the arrival processes and facilities at Sydney and Melbourne (Tullamarine) airports. Further PEQ inspections are planned for March 2009 in the United States of America.

**3RR-6 Professor Shergold Review Reports
Due: On-going – 1st milestone – Oct 2008, 2nd milestone – Feb 2009**

This deliverable is on track. The first and second milestones have been met. This report represents the second milestone for this deliverable.

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

This deliverable has not commenced. The Horse Import Program is currently undertaking a mid-year budget review and is considering undertaking an interim fee review to address the current program deficit. A comprehensive fee review is still to be undertaken once the interim Inspector General of Horse Importation has reported to the Minister for Agriculture, Fisheries and Forestry and the import risk analysis for horse imports is complete.

**3RR-8 Officer Responsible for Horse Imports Report to Executive Director, AQIS
Due: Sept 2008**

This deliverable is complete. 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.

**4FA-1 Interim and Final Upgrade – Kingsford Smith
Due: 1st milestone – Sept 2008**

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 following the EI Inquiry on 31 July 2008. Further (final) upgrades to facilities at the airport will be dependent on the recommendations of the Expert Group.

**4FA-2 Interim and Final Upgrade – Tullamarine
Due: 1st milestone – Sept 2008**

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 was completed before the first shipment of horses into Melbourne following the EI Inquiry on 14 July 2008. Further (final) upgrades to facilities at the airport will be dependent on the recommendations of the Expert Group.

4FA-3 Initial and Final Upgrade – Spotswood
Due: 1st milestone – Sept 2008

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, lockable storage for the chemicals, drugs and equipment and 24 hour security guard presence. Further (final) upgrades to facilities at the quarantine station, including the use of closed-circuit television (CCTV) and other electronic surveillance equipment, will be dependent on the recommendations of the Expert Group.

4FA-4 Initial and Final Upgrade – Eastern Creek
Due: 1st milestone – Sept 2008

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 the chemicals, drugs and equipment and 24 hour security guard presence.

Following the concerns of the Expert Group (as outlined in 3RR-3 above) AQIS has commenced work to improve the showering arrangements at Eastern Creek Quarantine Station. Plans have been developed to reconfigure an existing building on the perimeter of the horse compound with one-way flow-through showers. This building will also become the main access point to the horse compound. A proposal for the capital works is being developed for approval by the Executive Director of AQIS. Any further (final) upgrades to facilities at the quarantine station, including the use of CCTV and other electronic surveillance equipment, will be dependent on the recommendations of the Expert Group.

4FA-5 Renewed Leases for quarantine station facilities
Due: 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 had been renewed until 1 December 2010.

Options for Eastern Creek Quarantine Station are currently being considered following the release of the Beale Review which stated (in recommendation 62) "*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.*" AQIS has an option to renew the lease at Eastern Creek for five years until December 2015; this option must be exercised by 30 September 2009. Discussions are underway regarding the future of the government quarantine stations.

4FA-6 Approved pre-export quarantine facilities
Due: Aug 2009

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

Since August 2007, AQIS, Biosecurity Australia and the DAFF Agricultural Counsellors have been inspecting PEQ facilities. As at 31 January 2009, five PEQ facilities have received full approval, 28 PEQ facilities have received interim AQIS approval, two PEQ facilities been failed and five PEQ facilities have insufficient information to allow AQIS to make a determination. During December 2008, two PEQ facilities were granted interim approval; one in Hong Kong and one in the UK, pending the update of their SOP manual. 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 intends to provide generic guidelines for a suitable SOP manual to assist PEQ facility operators.

