

**HORSE INDUSTRY CONSULTATIVE COMMITTEE  
MINUTES**

**Meeting 16**

**Thursday 18 February 2016  
10.30am to 2.00pm**

**Department of Agriculture and Water Resources  
7 London Circuit, Canberra  
L1.06**

**Participants**

**Department of Agriculture and Water Resources**

Jackie South (chair)	Animal and Biological Import Assessments
Amy Little	Animal and Biological Import Assessments
Charlotte Burgoyne	Animal and Biological Import Assessments
Tanya Pintabona	Animal and Biological Import Assessments
Tim Brinkley	Animal and Biological Import Assessments
Olivia Konstantinidis	Animal and Biological Import Assessments
Janene Kingston	Animal Biosecurity
Natasha Webb	Animal Biosecurity
Jason Lucas	Cost Recovery & Funding Analysis
Sean Evans	Cost Recovery & Funding Analysis
Gaylene Podhajski	PEQ Operations
Peter Finnin	Veterinary Export Meat & Scientific Services
Amanda MacDonald	Biosecurity Implementation
Steve Tonkin*	Pathway Compliance
Nick Small	Approved Arrangements
Stacey McIntosh	Live Animal Exports
Samuel Nowland	Export Regulation Review
Norelle Laucher	Export Regulation Review

**External**

Andrew Kelly	Harness Racing Australia
Josh Murphy*	New Zealand Bloodstock
Chris Burke	International Racehorse Transport
Roger Lavelle*	Australian Horse Industry Council
Andrew Small	Canterbury Park QAP
Zoe Wells	Werribee International Horse Centre

**Apologies**

Brian Stewart	Werribee International Horse Centre
Paula Ward	Equestrian Australia
Peter McGauran	Racing Australia
Cameron Croucher	Equine International Airfreight
John Peatfield	Thoroughbred Breeders Australia

\* attended by teleconference line.

**Meeting commenced at 10.30am**

## **1. Welcome and apologies**

The Chair welcomed members to the 16<sup>th</sup> meeting of the Horse Industry Consultative Committee (HICC). The Chair noted apologies and recognized Paul Nixon's replacement Peter Finnin.

## **2. Meeting 15 minutes and actions arising (paper)**

The department called for any comments on the minutes from the 15<sup>th</sup> HICC meeting. The minutes were accepted without modification.

The chair provided updates on the action items from meeting 15 and outstanding action items from previous meetings. All action items from meeting 15 are now closed \*\*\*

**Action item 6 (meeting 12):** An update on the simplification of procedures to reduce the costs of import clearances and provide greater levels of business certainty was provided. Based on the findings from internal audits by the department, a first tranche of streamlining of clearance procedures was implemented in May 2015. The second tranche was aligned with the transition to the new post entry quarantine facility and was implemented at the end of 2015.

The second tranche of streamlining procedures contained significant changes to aircraft decontamination and personnel biosecurity requirements.

Full details of the revised personnel decontamination requirements are found in:

Notice to Industry: 2 Freighter Aircraft Operations Personnel –  
Biosecurity Requirements

Personnel – biosecurity requirements (2.11)

Industry commented that while the changes were sensible and comprehensive, they weren't being translated into reduced costs associated with clearance processes. The department acknowledged this and committed to continuing to look for streamline opportunities and minimise staff numbers at the aircraft and corral wherever possible.

**Action item 1 (meeting 13):** The department is drafting changes to procedures for transits and transshipment of horses to ensure nationally consistent service delivery and to enable the smooth transshipment of horses via Sydney to Melbourne for PAQ at Mickleham/Werribee. The department will notify industry when these are published and the new application for transit permit is available for use. If industry wish to see the next drafts

please advise Michelle Blowes via the horses@agriculture.gov.au inbox and the drafts will be made available when finalised.

Industry raised issues of high costs associated with staff numbers too high at the quarantine premises.

Department to notify industry when procedures for horse transit and transshipments are published and the new application for transit permit is available for use.

VEMSS noted that consideration to staff numbers, contingencies for sick or injured horses and identification procedures for horses are still being assessed.

**Action item 3 (meeting 14):** The department to provide information about the operational policy for exercising of horses in post entry quarantine, including use of the horse walker and turnout yards, and what exercise will not be permitted. The Instructional Material has been finalised and will be in use shortly.

Industry raised issues with the horse walker installed at Mickleham - specifically that it is a pleasure horse walker made for Western Quarter horses and not equipped for performance horses e.g. Thoroughbreds and Warmbloods that are typically taller than Quarter horses The design is flawed and the insufficient height of the bar on the walker is leading to horses hitting their heads. They believe the Department has been misled by the manufacturer and the horse walker is not fit for its intended purpose.

The department has logged a job for the walker, the height of the bar will be changed but at the cost of its warranty being voided.

**Action item 5 (meeting 15):** Industry provided information about the potential logistical issues with transport of horses to Melbourne and the requirements for transit at other Australian ports.

There are currently no services from USA to Melbourne and there are large diversion costs to land in Melbourne. From the UK there are two airlines operating to Melbourne: Singapore (which requires a minimum of four pellets to justify direct to Melbourne) or Cathay Pacific (via Sydney).

This issue is out of the department and industry control and is based on freight demand. Item closed off agenda.

Industry and ABIAB are jointly working on the transit issue.

### **3. Agricultural export regulation review (Sam Nowland)**

An update on the agricultural export regulation review:

The department has been working on improvements to agricultural export legislation following the review, consultation period of July-September 2015 and subsequent government decision in December 2015.

In keeping with this decision, the department will modernise current laws to make them more flexible and efficient while retaining and improving assurance processes. The legislation will better assist and support exporters to meet importing country requirements.

The legislation aims to make the rules for exporting easier to understand and remove unintended barriers to trade. The improvements are currently in development and will take place over the next couple of years. An exposure draft of the legislation is expected to be released for stakeholder comment in 2017.

Industry participants raised concerns about cost recovery, importing country requirements, flexibility and availability of authorised officers in an industry that is operating 24/7. The department has created a report taking these and other stakeholders' views into account. We expect to be in a position to provide more information to stakeholders later in the year. While cost recovery arrangements fall out of scope for the project, the legislation will provide clearer requirements relating to the appointment and obligations of departmental and third-party authorised officers.

#### **4. Mickleham post-entry quarantine facility (Gaylene Podhajski)**

Mickleham's first intake was in December 2015 and five successful consignments totalling 100 horses have now gone through. Despite some teething problems the issues are being worked through and good working relationships are developing. The department is continuing to improve and refine processes and procedures at the facility.

Debriefing was undertaken with IRT throughout the second and third intakes to identify positives and negatives and to work through problems that were arising. Issues with the building itself were the main concerns raised by industry. Issues include the following:

- rubber falling off in the crush;
- taps in wash bays are too low;
- issues with sliding doors in stables (horses are apparently able to open stall doors if not properly closed by locks); and
- not enough wash bays (currently one per compound).

Industry feedback is overall positive, and Mickleham is acknowledged as a world class facility. The key issues raised by industry were already identified by them prior to construction of the facility. A view was expressed that industry input was ignored.

The department has implemented temporary measures for these problems (using the transition budget) and is working on resolving issues through the appropriate channels. Wash bay issues will be fixed by installing two additional wash bays in each compound by the end of the year. There is currently one surgery in each compound and an arrangement is being negotiated with Ballarat Veterinary Practice to provide emergency surgical services.

## **5. New biosecurity legislation**

### **a. General update** (Amanda MacDonald)

The new Biosecurity Act will be implemented on 16 June 2016. The new Act modernises the outdated legislation of the *Quarantine Act (1908)* and provides a flexible framework to manage biosecurity risk into the future. The legislation has undergone consultation and review and shows improvement in readability and comprehensibility. The Act allows an increase in powers to manage risks onshore, and introduces new powers to effectively penalise those who break biosecurity laws. Draft legislation will be out for consultation and comments from industry until 24 March 2016.

There is a focus on first point of entry regulations, with the main impact on international airport operators and businesses. Under the new legislation horses must arrive at a first point of entry. Melbourne is the first point of entry for high risk horses whereas low risk horses (from New Zealand or New Caledonia) may arrive at other ports that have adequate facilities.

The department will now have more onshore and emergency powers and the entry and exit requirements will help to support the management of biosecurity. There is little change to practical uses from an industry perspective.

The minimum requirements for first points of entry will be released before 16 June for external consultation. The department has particular requirements for live horses. The department is aware of the urgent need for an assessment on all points of entry.

### **b. Conditions and Permits** (Tim Brinkley)

The new Biosecurity Act (2015) legislation provides powers to stop goods from coming into Australia and ensuring import conditions are met. Operationally there is very little change and permits and BICON will generally be the same, however applications and fees will change. There are changes to the terminology from the Quarantine Act to the Biosecurity Act but this does not change the business. Permit regulations are currently out for comment.

The new Biosecurity Act (2015) introduces the 'Fit and proper persons power' which looks at a person's history, including debts and/or criminal convictions, to determine suitability for granting a permit.

Under the new legislation there will be new avenues for appeal instead of the current non-appeal process. There is now a right for a review of a decision on a permit and it can be referred to a tribunal.

It should be noted that transitional amendments will continue and remain valid after the new Biosecurity Act comes into effect and will remain valid for the length of the permit.

Industry raised a concern with the BICON permit numbers being issued late in the process, and multiple reference numbers being provided throughout the application process which is confusing. The department acknowledges this, but it is outside the scope of biosecurity legislation. This IT issue in BICON has already been identified as a problem and over the next few years there will be opportunities to make amendments within the system.

#### **c. Onshore assessment and management powers** (Steve Tonkin)

There are no practical changes to these powers but the names and terminology will change. There are new powers that give the ability for officers to ask questions, secure, and inspect goods. These biosecurity measures will help manage unacceptable risks. There will be a formalised process and requirements for clients to notify the department of any incidents. There is online training for all staff preceding the implementation of the new Act and tailored training will be carried out at ports, on site etc.

#### **d. Approved arrangements** (Nick Small)

Operationally there are no major changes to approved arrangements. The main change is going from two legislative instruments to one which is called an 'approved arrangement', which is anticipated to be an easy transition. This arrangement will minimise disruption to clients and maximise flexibility. Facilities that are currently QAPs will be termed 'approved arrangement sites,' and a single arrangement can have multiple sites (which can be in different suburbs or states).

An annual approved arrangement fee will be charged on a per entity basis. If one or more approved arrangement is held there is a single fee of \$2900. The billing cycle is independent of the renewal cycle (as of November/December 2015). The approval period is now 6 years allowing for fewer admin processes (ie next approval period will be 30/6/2022)

The new Act introduces a fit and proper person test, which is a mandatory requirement for approved arrangements (in contrast to being non-mandatory for import permit assessments). The fit and proper person test applies to the applicant for an approved arrangement. The applicant may be an individual,

company, university etc. Audits and sanctions will continue as they are now, and will be audited against largely the same requirements.

Renewals: All QAPs will automatically roll over on 16 June to being transitional approved arrangements. The existing QAP class system will remain the same. Transitional approved arrangements will maintain the expiry date they had as QAPs i.e. 30 June 2016. Renewal processes will start in April and operators will complete electronic application forms. When these are approved the transitional approved arrangements become approved arrangements under the Biosecurity Act.

## **6. Program Financial Update** (Sean Evans)

Update provided on the year to date to November. As of 1 December 2015 new broader charges and fees have been implemented with accumulated losses being worn by the department. Expenditure was less than expected due to lower indirect costs, with revenue more than expected. There were 89 horses included in the forecast.

Despite surplus in November, Dec/Jan had extra money allocated to corporate costs. Dec/Jan expenditure resulted in operating deficit of \$0.222m. This deficit applies to the entire biosecurity arrangement, not just to horses. The department is expecting the horse component to break even based on the new cost charging arrangements. There is an expected impact of \$1.8m as a result of opening Mickleham, but this has been less since the start of the year according to current data.

Concerns were raised by industry regarding smaller shipments that may run at a loss, and high frequency of small numbers skewing data. Chris Burke asked if by next HICC meeting industry can find out if costs are adequately being recovered with Mickleham and if a deficit is appearing, changes should be made before it becomes too large. The cost recovery modelling needs to adequately recoup costs to avoid industry going into debt.

Jason Lucas explained that actual costs after March quarter need to be collected to get a better understanding of how cost recovery for Mickleham is going. The expected position is that costs will break even.

Jackie South pointed out that the department's policies cannot discriminate against any industry member and the department needs to respond quickly to manage deficits.

**Action item 1:** The department to report at next HICC meeting if costs are being adequately recovered at Mickleham following first quarter analysis.

## **7. New department office charges for PAQ horses**

Jason Lucas from Finance Division provided an update on charges for Mickleham. There will be a fixed cost for the 14 day post arrival quarantine period. In addition, there will be an allocated 3-5 day window that will be

included in the 14 days quarantine cost. For horses that stay outside the allocated window of 3-5 days, payment of \$60 per day will be required.

There will also be a new model of charging that includes quarter hourly fees. Any commodity where department officers are required to supervise will be charged at a quarter hourly rate e.g. supervision of private vets will be charged per quarter hour.

## **8. Future of HICC**

Jackie South raised the question of whether there are enough issues to hold the HICC meeting twice per year and called for industry comment on the timing / content of the HICC meetings. The membership and terms of reference is due to be updated (last updated 2013).

There was a general consensus that twice yearly meetings were acceptable during the transitional period for the new Biosecurity Act rollout. Possibly consider annual meetings once the Biosecurity Act is in use and transitional period complete.

Chris Burke said that although many of the issues he raises at meetings could be discussed individually he wanted to report his issues in a public forum to allow other industry members to comment and be a part of the discussions. The open forum helps foresee problems to solve them quickly and problems for one industry member will normally effect other members. Meetings with industry reduces the 'us against them' mentality, better to work cooperatively. Membership should be reviewed and additional potential memberships should be nominated.

Roger Lavelle commented that HICC meetings are a valuable way to get the group together and although there may not be specific issues right now, there will be significant issues arising in the future e.g. World Equestrian Games bid.

Josh Murphy stated that although horse importers haven't had great input into Mickleham they have benefitted from the department warning importers of any surprises. He values the feedback received through the HICC meetings.

**Action item 2:** The department to draft new terms of reference and memberships for next meeting and HICC members to suggest appropriate people who may be interested in membership.

## **9. Other Business**

### **a. Vet/groom kit handling on arrivals and departures (Chris Burke)**



IRT is working with Michelle Blowes and PEQ Operations on this issue. Only two countries in the world hold vet kits on arrival, Australia and New Zealand. In New Zealand, MPI hold the kits at Auckland airport which is simple because there is only one port. In Australia there are numerous ports, so if the kit is held at one port of arrival the kits cannot be accessed during domestic travel. Kits are being sealed on arrival and then the grooms/vets have to prove that seals are still in place when they leave (by pictures). Once the kits are sealed they cannot check if the kits are fully stocked or if all contents are within expiry date. Horse import program is currently working on a solution to this issue.

Possible solution is to check kits before arrival so no stocking is required during time in Australia OR bringing kits to PEQ in horse arrival area where they will have more time to assess and restock. Short term solution may be coming into department's regional office to check and reseal. Need to make arrangements with regional offices.

**Action item 3:** The department to establish a consistent policy for managing vet/groom kits.

#### **b. Update on department's software/client interface (Chris Burke)**

Stacey McIntosh from the live animal export program provided an update on export program software. The issues with the export software and moving all horse exports to TRACE is that it can't accept additional documentation. This is an IT issue not a program issue. Timeframe for solution was April but has now been pushed back to later this year.

Industry raised issues with manually entering data into TRACE and the increase in errors and reduction in accuracy that this creates. Need the ability to upload data rather than retyping, which is a waste of labour and reduces quality assurance. Department identified that this is a system platform issue rather than the department not wanting to change it. One suggestion was to send the information to the department first for review to reduce the risk of errors. There is a project in place to replace the TRACE system altogether.

#### **c. Department/DPI and POO certificates (Chris Burke)**

There needs to be greater promotion by the states for properties to have PIC numbers. Needs to be a discussion with the DPIs as to how to better manage POO certificates, how to access them, and an agreed cost to get them. Live Animal Exports has had discussions with State's DPI looking at how to better manage this. OCVO has a state DPI consultation committee forum which would be a better forum to raise this issue.

#### **d. Vaccines for EI and EHV (Chris Burke)**

There is a two year delay on vaccinations and an EHV vaccine shortage which will affect exports. No import permit applications have been received for new vaccines. Chris Burke is calling on the horse council to put pressure on vaccine wholesalers and manufacturers to get applications into the department for a new EI and EHV vaccine so that appropriate products are available. The department prioritises assessments of vaccine applications in response to the need but the department cannot act without an active import application being submitted.

**Action item 4:** The department to provide an information and data sheet to industry to help place pressure on manufacturers and wholesalers by explicitly outlining the process for obtaining an import permit for a vaccine.

#### **f. Border force issue (Chris Burke)**

Chris Burke said that border force are now requiring a master airway bill to be provided for every horse from each owner rather than one master bill per each consignment of horses. This has increased costs and the chances of errors being made along the transit chain. Border Force said the change was related to a software issue with the department but the department has not made any changes to airway bill requirements.

**Action item 5:** Industry to send information to the department regarding the border force issue and relevant correspondence and the department will look into it.

#### **10. Next meeting**

Proposed for October – but not the second week. Will send out a few dates to choose from.

#### **Meeting finished at 2.00pm**

#### **Summary of Action Items**

##### **Action item 1 (meeting 13)**

Department to notify industry when procedures for horse transit and transshipments are published and the new application for transit permit is available for use.

**Action item 3 (meeting 14):** The department to provide information about the operational policy for exercising of horses in post entry quarantine, including use of the horse walker and turnout yards, and what exercise will not be permitted.

**Action item 1:** The department to report at next HICC meeting if costs are being adequately recovered at Mickleham following first quarter analysis.

**Action item 2:** The department to draft new terms of reference and memberships for next meeting and HICC members to suggest appropriate people who may be interested in membership.

**Action item 3:** The department to establish a consistent policy for managing vet kits.

**Action item 4:** The department to provide an information and data sheet to industry to help place pressure on manufacturers and wholesalers by explicitly outlining the process for obtaining an import permit for a vaccine.

**Action item 5:** Industry to send information to the department regarding the border force issue and relevant correspondence and the department will look into it.