

# HORSE INDUSTRY CONSULTATIVE COMMITTEE

## FINAL MINUTES

### Meeting 19

Wednesday 2 May 2018

10.00am to 2.00pm

Department of Agriculture and Water Resources

7 London Circuit, Canberra ACT

L.2.03

### Participants

#### Department of Agriculture and Water Resources

Beth Cookson (Chair)	Animal and Biological Import Assessments
Amy Little	Animal and Biological Import Assessments
Tanya Oliver	Animal and Biological Import Assessments
Emma Ford	Animal and Biological Import Assessments
Cassie Pert	Animal and Biological Import Assessments
Gaylene Podhajski*	PEQ Operations
Simon Mills*	PEQ Operations
Peter Finnin	VEMS
Alyce Adams*	VEMS
Robert Hunter	VEMS
Carol Sheridan	Animal Biosecurity
Kerry Daly	Animal Biosecurity
Natasha Webb	Animal Biosecurity
Kate Usher	Animal Biosecurity
Neha Pathak (AM)	Finance and Business Support
Jason Lucas (AM)	Finance and Business Support
Michelle Res (AM)	Live Animal Exports

#### External

Kathleen Mullan	Harness Racing Australia
Josh Murphy*	New Zealand Bloodstock
Cameron Croucher	Equine International Air Freight
Chris Burke	International Racehorse Transport
Mark Burnell	Australian Horse Industry Council
Jeffrey Wilkinson	Equine Veterinarians Australia
James Gilkerson	Australian Veterinary Association
Zoe Wells	Racing Victoria/Werribee International Horse Centre
Ross Kendell	Horse Industry Consultant
Barry O'Farrell	Racing Australia

#### Apologies

Melanie Latter	Australian Veterinary Association
Paula Ward	Equestrian Australia
Andrew Kelly	Harness Racing Australia
Andrew Small	Canterbury Park
Grace Forbes	Werribee International Horse Centre

Cristy Secomb	Equine Veterinarians Australia
Cameron Brown	Harness Racing Australia
John Peatfield	Thoroughbred Breeders Association
Jagtej Singh	PEQ Operations
Nygarie Goyal	VEMS
Donna Bennett	VEMS

\*teleconference

## **Meeting commenced at 10:00am**

### **1. Welcome and apologies**

The Chair welcomed members to the 19<sup>th</sup> meeting of the Horse Industry Consultative Committee (HICC). The Chair acknowledged apologies from those who could not attend.

### **2. Minutes from meeting 18 and actions arising**

The Chair called for comments on the Minutes for the 18<sup>th</sup> HICC meeting.

Action Item 1 from the 18<sup>th</sup> HICC meeting (*Finalised offshore charging guidelines*) was the only item still in progress. Jason Lucas from the department's Finance and Business Support division (FaBS) opted to discuss this after agenda item 3 (Program Financial Update).

The minutes from the 18<sup>th</sup> HICC meeting were accepted.

### **3. Program Financial Update (Paper)**

The chair welcomed Jason Lucas to present the paper on 'Biosecurity Cost Recovery Arrangement Financial Performance Report 2017-18 March Year-To-Date'. The biosecurity arrangement recorded a surplus of \$15.2 million, against a budgeted surplus of \$5.3million for the period 1 July 2017 to 31 March 2018. Jason noted that there has been an increase in the number of horse imports, with an additional 46 horses over budget. FaBS forecast that the department will be on or slightly over budget by the end of the financial year due to the expected decline in horse numbers for the balance of the year.

A \$19 million end of year surplus is forecast for the biosecurity arrangement. This will provide a cost recovery reserve in excess of 5% of annual operating expenditure and departmental policy. Industry asked how this may be managed, it was noted that it would be dependent on the next year's expectations but may include discounted charging. However, Chris Burke indicated the importance of price consistency and suggested that the department use surplus funds to benefit the industry. He proposed using surplus funds for equine disease research that could help to prevent biosecurity issues in the future.

Beth Cookson indicated that there are other programs and departments that provide money for research. However, James Gilkerson agreed with Chris and added that current levies and funding mechanisms are focused on livestock and not horses.

Beth noted that the department is bound by legislation and policy that determines how money collected by the department can be used. Jason suggested the committee seek guidance from the levy revenue service.

**ACTION ITEM 1:** 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.

### **Finalised Offshore Charging Guidelines (from agenda item 2)**

Prior to the meeting, attendees were provided with a draft copy of the 'offshore deployment charging guidelines'. The guidelines aim to provide a clear policy and standard schedule for fees and to formalise the process of charging for off-shore audits. Jason Lucas provided a verbal update and asked the room if there were any comments or issues with the draft.

Chris Burke raised issues with lines 30 and 31 of the draft, in regards to the sharing of audit costs.

Sharing audit costs between shippers does not allow the department to meet obligations regarding protected information in accordance with the *Biosecurity Act 2015*, as well as the difficulties in coming to a cost-sharing agreement that all industry participants are comfortable with. Auditing should be done separately for each shipper, although consideration may still be given to sharing audits if departmental resources required it.

**ACTION ITEM 2:** Jason Lucas to change line 31 of the offshore charging guidelines to reflect that audits will be carried out separately between importers, unless by exception.

## **4. Exports Cost Recovery**

Jason Lucas provided an overview of recent consultation on Live Animal Export Charging. The department forecasts a \$2.6 million deficit for live animal export recovery this financial year. As such, in order to return the arrangement to a balanced financial position a substantial price increase for all live animal export commodities will be required. Jason noted that if government decides to proceed with the proposed changes, export charges would increase by approximately 24%.

Chris Burke added that the Exports Committee discussed ways to make the department more efficient, including increased staffing and better technology to reduce the time veterinary officers spend reviewing health

certificates. He also indicated that the cost of horse exports is likely to increase by 114%, which will have a major impact on the industry. The new fees and charges may be implemented as early as 1 July 2018, however Chris noted that the implementation date is likely to be later. Chris highlighted that committee members should read the Cost Recovery Implementation Statement (CRIS) and provide any questions to Jason or himself, once it has been released for public comment.

Jeffrey Wilkinson noted that additional costs are unlikely to have an impact on industry due to the high-value of horses. Chris agreed but clarified that it is likely to affect low-cost Trans-Tasman horse transports.

**ACTION ITEM 3:** Updates on the progress of implementing exports cost recovery to be provided at the next HICC meeting.

## **5. TRACE system implementation for horse exports**

The chair welcomed Michelle Res to discuss the TRACE (Tracking Animal Certification for Export) system implementation. Michelle indicated that Phase 3 of the system is due to roll out in July 2018 to internal staff only, with a view to roll out to external stakeholders in late July/August. Phase 4 is due to roll out externally in August – September 2018, noting that this is dependent on phase 3 being rolled out. Phase 4 will allow exporters software systems to integrate directly with the TRACE system.

TRACE aims to enable better communication between the department and industry and will act as the platform for exporters to submit required documentation and provide information about consignments. Michelle outlined the system is flexible to variations, however, all changes must be made within the system. The system will also separate the administrative and technical aspects of assessing consignment documentation and limit the amount of administrative work performed by departmental Veterinary Officers. The main outcome of the enhanced TRACE system (for non-livestock and reproductive material) will be the electronic output of export documentation ensuring national consistency. The department will notify importing countries about changes to the documentation prior to implementation.

Chris Burke raised that industry was not consulted during the development and implementation of TRACE. He was concerned that the system would not be compatible with existing software and so will not enable a simple upload of data from an industry database to TRACE which will create more work for industry staff and greater potential for errors when re-entering data.

**ACTION ITEM 4:** Michelle Res to have an offline discussion with Chris Burke and other industry members in regards to the implementation of the TRACE system.

## **6. Live export of equids for slaughter (donkeys)**

The chair invited Jeffrey Wilkinson and Mark Burnell who raised the agenda item, to start the discussion.

Discussion on the live export of donkeys for slaughter included concerns regarding the welfare of the animals and animal handlers. Mark indicated that the Donkey Society were also concerned about animal welfare and were pushing for onshore slaughter, which was supported by Jeffrey. Mark also acknowledged that reducing wild donkey numbers would be beneficial to native flora and fauna.

Chris Burke stated that IRT had received no requests to send donkeys to China. All three importers noted that they were not currently considering exporting donkeys for slaughter.

Beth Cookson noted that the department is aware of some potential interest in the export of live donkeys to China however understands that no application to the department has been made. In addition, Michelle Res indicated that there was no current plan to expand the Exporter Supply Chain Assurance System (ESCAS) to include equids as no applications to export equids for slaughter have been made.

The Live Animal Export program noted all of the concerns raised and industry indicated they would consult internally as to whether their organisations wished to raise their concerns more broadly.

## **7. Onshore Updates**

### **1) PEQ Operations Update**

Simon Mills provided an update of maintenance changes and improvements to the Mickleham compound. PEQ Operations are looking at adding rubber belting around the edges of the yards that currently do not have it. Horse crushes are planned for update in the next couple of months. PEQ Operations are trying to secure more funding to make additional improvements to the Mickleham compound. These include updates to the surgery room, shower rooms and rubber belting (as above).

A mock emergency surgery run through was completed at Mickleham and improved understanding for management in case of the actual event. From this exercise, updates to the surgery room were found to be required. These include access to warm (36°C) non-recycled water, understanding of the scavenger system, and spare batteries for the crane. Gaylene Podhajski advised that they have raised the water issue with the Department of Finance and are hoping for this to be rectified before the start of stallion consignments.

Gaylene urged other importers who bring horses through Mickleham to contact her or Simon if they would like to participate in a mock surgery run through.

## **2) Clearance staffing**

Chris Burke raised whether there is scope to reduce the number of departmental staff required for horse clearances through the First Point Animal Services (FPAS) corral. As FPAS is an Approved Arrangement (AA) site and it is now responsible for some processes that would normally be undertaken by biosecurity officers at non-AA site corrals. The Horse, Livestock and Bird Imports program (HLB) have nearly finalised new instructional material (IM) about managing clearance of horses through an AA site which is different to the IM for clearing horses through a non-AA site corral. This was developed in response to the establishment of FPAS. Peter Finnin indicated that he will speak offline with Amy Little to formalise appropriate clearance staffing levels.

**ACTION ITEM 5:** Peter Finnin to have an offline discussion with Amy Little to formalise appropriate clearance staffing levels.

## **3) Resourcing of regional department veterinarians**

Ross Kendell indicated his preference for a single supervising veterinarian on site during the entire quarantine period at the AA sites. During a recent quarantine isolation period at Canterbury Park, there were seven supervising veterinarians. Ross highlighted that multiple supervising veterinarians can increase risks and queried the resourcing efficiency of requiring vets to travel from interstate. Chris Burke also raised concerns with the departments' capacity to respond to short-notice requests to export horses which may result in the Australian industry losing high-value exports.

Peter Finnin outlined that VEMS is looking at a number of staffing strategies to ensure that the department can meet its service charter including recruiting two veterinary officers in the Sydney office and having more casual staff available.

James Gilkerson indicated that AVA would be happy to assist in trying to attract more veterinarians and relevant departmental staff are advised to contact him, if required.

Beth Cookson indicated that the feedback from the HICC in regards to departmental regional veterinary staffing could be raised at the next Biosecurity Executive meeting.

## **4) Large consignments of horses in Mickleham**

Tanya Oliver outlined how large consignments of horses will be handled in Mickleham PEQ. Mickleham compounds can accommodate a maximum of 40 horses so consignments of more than 40 horses will spill over into the second compound. The horses in the second compound will take on the quarantine and health status of the last horse to enter that compound,

regardless of the amount of time between consignment arrivals and the number of days the first arrivals have been present in the compound.

If there are problems with the first compound (first consignment), the second compound and all horses contained within it will be investigated as both compounds are now linked and have an equivalent health status. Once the first compound horses have reached the required minimum quarantine requirements they may be released from quarantine as per usual practice. The remaining horses from the first consignment that are present in the second compound must remain in quarantine until the last horse to begin quarantine in that compound has completed the minimum quarantine requirements.

Chris Burke added that the shipper will pay for all husbandry costs for the entire duration that horses are in the PEQ facility (including extra days while waiting for the last horse to enter the compound). However, the department will absorb the additional quarantine costs and will only start charging the shipper once the quarantine period has officially started. Shippers are to consult with each other on extra husbandry costs and work together to keep timeframes between the consignment arrivals as small as possible with a maximum of five days.

## **8. New Zealand/New Caledonia contingency plan (paper)**

Amy Little presented the proposed contingency plan for horses from New Zealand and New Caledonia that arrive in Australia showing clinical signs of diseases that may be of biosecurity concern. The original contingency plan required importers to nominate a property that horses would be held at if they arrive in Australia with clinical signs that may be due to a biosecurity concern. This proved unfeasible as the only properties the shippers will have access to will be those used for pre-export isolation. So these properties holding horses under biosecurity control may then become ineligible to export horses. After a teleconference with the horse importers, the department suggested horses could remain at the airport on transport vehicles (converted into stalls) while receiving appropriate testing before being released from biosecurity control.

Amy acknowledged the logistical difficulties of such a plan but felt that it was the simplest option. Particularly given alternative options such as holding horses at other facilities which will require agreement from the States and Territories via Animal Health Committee (AHC). Peter Finnin and Robert Hunter both expressed concerns about managing horse and livestock exports if horses are held in trucks at the airport. Tanya Oliver noted that the longest testing turnaround time would be 48 hours, therefore, it is unlikely that the horses would be quarantined at the airport for more than two days.

Chris Burke agreed that a plan is needed as horses with biosecurity concerns shouldn't be released into the general population. However, Chris wondered which viruses and diseases the department is particularly worried

about as Australia has the same diseases present in New Zealand and New Caledonia and often does not test for these diseases. Chris also suggested using Mickleham as a holding facility when it is free of consignments and that perhaps the contingency arrangements can differ from port to port depending on available facilities.

All committee members were in agreement that an appropriate solution to the problem was difficult but that a contingency plan was necessary to protect the Australian horse industry in the event a horse does arrive from NZ with a disease of biosecurity concern. However, Amy did acknowledge that situations that require the contingency plan are infrequent.

**ACTION ITEM 6:** Industry members to send additional comments/concerns on the New Zealand/New Caledonia contingency plan paper to HLB import program by the beginning of June 2018. HLB will review the additional information and engage further with industry.

## **9. Animal Biosecurity updates**

The Chair welcomed Carol Sheridan, Kerry Daly, Natasha Webb and Kate Usher from Animal Biosecurity Branch (ABB).

### **1) Hong Kong horse import suspension**

Carol Sheridan on behalf of Animal Biosecurity updated the committee on the Hong Kong horse import suspension. Carol gave an overview of the department's decision-making process and stated that ABB is assessing both Hong Kong and the Equine Disease Free Zone in Conghua, China.

ABB is currently waiting for China and Hong Kong to respond to the final questionnaires before they can start their review. Carol noted the timing of the decision depends on how quickly China and Hong Kong responds and on the quality of the information provided.

Members discussed the biosecurity risk of Hong Kong horses and the risk of importing horses from New Zealand, which allows horse imports from Hong Kong. ABB noted that horses being exported to New Zealand from Hong Kong must have a minimum residency of 6 months in Hong Kong before being eligible for import to New Zealand. Horses must then have a minimum 6 months residency in New Zealand before being eligible for import to Australia. ABB also indicated that any horses who may have been in contact with Hong Kong horses pose a lower risk than horses imported directly from Hong Kong.

### **2) Equine Viral Arteritis conditions for the EU**

Kerry Daly informed the committee that there had been a shortage of the Equine Viral Arteritis (EVA) vaccine in Europe for the last several months. This has not impacted horse imports but has created a problem for horse exports (in particular shuttle stallions) to Europe as the European Union (EU) does not have flexibility in their conditions regarding EVA vaccinations.



The department's post in Brussels and ABB are actively involved in discussion with the EU to come to a resolution to allow the shuttle stallions to return to the EU after their breeding season in Australia.

### **3) Market Access Update**

Kerry advised that ABB is currently undertaking a competent authority assessment of Estonia. Natasha Webb advised that the department had received an enquiry from Argentina regarding live horses for permanent importation or breeding and temporary importation to Argentina. As a result, ABB will be writing to Argentina to negotiate conditions for establishing exports from Australia to Argentina. In addition, Kerry spoke about the changing animal health status of Singapore after incursions of screw worm fly. However, Kerry noted that it does not change Singapore's ability to ship horses to Australia as conditions are in place to effectively manage the biosecurity risk. Kerry also mentioned that Kate Usher is currently working with the Seychelles authorities on the possibility of exporting horses from Australia to Seychelles.

### **4) Hendra Virus conditions for exports to China**

Kerry outlined the inconsistent Hendra Virus conditions for horse exports to China. In the past, China required that horses reside at least 200km from areas *currently* affected by Hendra Virus. However, after a recent CIQ inspection, China is now interpreting the regulation such that horses cannot reside within 200km of a property that *has ever been* affected by Hendra Virus. Members added that the regulations are often interpreted differently by individual CIQ officers. Chris Burke stated that the inconsistent conditions are especially difficult as China is the biggest importer of thoroughbred horses and any difficulties with consignments reduces consumer confidence in the Australian market. ABB have contacted the authorities in China to get clarification on this issue but have not received a response as yet.

**ACTION ITEM 7:** ABB to provide updates on the Hendra Virus conditions for exports to China at the next HICC meeting.

### **5) New EU legislation and changes to health certificates for the export of horses to the EU**

Kerry Daly informed the committee that the EU had recently changed their horse import legislation. Kerry indicated that she would send out the new legislation to members. She encouraged industry to become familiar with the new regulations that will be implemented on 20 May 2018 and will apply from 1 October 2018. There will be a transition period where old health certificates will be accepted until 31 December 2018.

**ACTION ITEM 8:** ABB to send out new EU regulations to industry members. ABB welcomes any feedback and comments from members.

## **10. Other Business**

### **1) Information sharing across sectors of the equine industry** *Title amended from agenda item 'Positive swab outcomes'*

Mark Burnell proposed sharing information within the industry when people are charged with animal cruelty offences or positive prohibited substance swabs, for example to restrict them from working in other sectors. Members discussed privacy concerns and agreed that the discussion needs to be raised by industry members and continued within the wider horse industry.

### **2) Register of genetic diseases**

Mark Burnell on behalf of the Australian Stock Horse Society (ASHS), raised the issue of genetic diseases and the need for a genetic disease register. Hereditary equine regional dermal asthenia (HERDA) and Equine hyperkalaemic periodic paralysis (HYPP) are diseases of particular concern as horses can be carriers without showing signs. ASHS is concerned that genetic diseases are being passed to stock horses from quarter horses that are carriers. However, Mark indicated that the Australian Quarter Horse Association (AQHA) requires HYPP testing before horses can be registered. James Gilkerson suggested that the ASHS should test for genetic diseases before registering horses. Barry O'Farrell advised that there is already a discussion between major thoroughbred breeders and Racing Australia underway on this topic.

### **3) Tick prevention**

Chris Burke expressed concern over current use of Barricade 'S' as a tick treatment for horses exported to New Zealand. The product is meant for livestock and has work health and safety concerns. Chris asked that the department communicate with the New Zealand government to see if they would allow Permethrin or another more suitable product as an alternative treatment.

**ACTION ITEM 9:** ABB to communicate with the New Zealand Ministry for Primary Industries to verify the use of Permethrin as a tick treatment for imported horses.

### **4) Inspector general of Biosecurity review of horses**

The Chair advised that the office of the Inspector-General of Biosecurity (IGB) has requested horse import records from the past two years for a current IGB review of horse imports. The current review will look particularly at how the department has responded to recommendations from past reviews. The review is anticipated to be published in June 2018.

**ACTION ITEM 10:** ABIAB to advise HICC members when IGB audit report is published.

## **11. Close meeting and next meeting**

The Chair closed the meeting and suggested February or March 2019 for the next HICC meeting to be held in Canberra.

### **Meeting finished at 2:00pm**

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

**ACTION ITEM 1:** 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.

**ACTION ITEM 2:** Jason Lucas to change line 31 of the offshore charging guidelines to reflect that audits will be carried out separately between importers, unless by exception.

**ACTION ITEM 3:** Updates on the progress of implementing exports cost recovery to be provided at the next HICC meeting.

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