



**The Hon. Tony Burke MP**

Minister for Agriculture, Fisheries and Forestry

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Dear Professor Shergold

Thank you for your letter of 10 March 2009 enclosing your second report on implementation of the Australian Government's response to the Callinan inquiry into the Equine Influenza (EI) outbreak in August 2007.

I am pleased you consider that the Department of Agriculture, Fisheries and Forestry (the department) continues to make good progress in its implementation of the government's response to the EI inquiry and has maintained a close engagement with industry stakeholders. I am also pleased that you found that a number of key achievements have been made since your first progress report in October 2008, including implementation of new pre-export quarantine (PEQ) arrangements.

You raised several key issues in your report, including the future of Australia's Quarantine facilities and the defeat of the Horse Disease Levy Bill. In relation to the future of Australia's quarantine stations, I agree that this is a significant matter and its resolution is a priority for the government. The government is reviewing the longer term future of Australia's post-arrival quarantine (PAQ) facilities, including Spotswood Quarantine Station in the context of the Quarantine and Biosecurity Review recommendations, for consideration through budgetary processes.

Regarding the defeat of the Horse Disease Levy Bill, I understand that the horse industry is currently considering the implications of this outcome and possible next steps. I share the concerns of the horse industry about the possible financial implications and agree with your assessment that the defeat of the Bill may significantly weaken readiness of the horse industry for a recurrence of EI.

I am also aware of industry frustration at the continued suspension on importation of horses directly from Japan. Biosecurity Australia has prepared briefing for the Horse Industry Consultative Committee (HICC) on the information required to expedite progress to permit importation of horses from Japan. I understand that Thoroughbred Breeders Australia is a member of the HICC and will receive this briefing.

Your suggestion of a one-off supervised PEQ arrangement to import Japanese racehorses for the 2009 Spring Racing Carnival has been carefully considered by the Department. The information needed for such a one-off supervised PEQ arrangement is essentially the same as that needed for the reinstatement of more general ongoing arrangement as part of the horse import risk analysis (IRA) process and Biosecurity Australia has formally sought this information from Japan's Ministry of Agriculture, Fisheries and Forestry.

Once the necessary information is received, Biosecurity Australia will assess it, negotiate a visit to Japan to verify arrangements and prepare and release a detailed assessment for 30 days public comment. Given that the incursion of equine influenza in August 2008 followed a breakdown in PEQ arrangements in Japan it is likely that public comment will be extensive and broadly based.

This is a significant amount of work if a protocol is to be in place in early September to allow direct importation of any horse from Japan for the 2009 Spring Racing Carnival. Allocation of resources to undertake this work would inevitably lead to delays in implementing other recommendations of the Callinan Inquiry, particularly the horse IRA which covers the importation of horses from a range of countries. Accordingly, the Department's preferred option is for re-establishment of imports of horses from Japan to be considered as part of the horse IRA process, based on information provided by Japan, rather than as a one-off supervised PEQ arrangement.

You also raised the matter of the conditions placed on the movement of horses from the UAE, including consideration of a re-entry scheme using permanent importation conditions. As you are aware, Australia has permanent importation conditions for horses coming from the UAE, and I understand that AQIS is working with importers to facilitate the importation of horses in the next few months under permanent import conditions.

I note your comments regarding the quarantine costs associated with importing a horse and the pressure placed on the horse industry by additional costs arising from new quarantine measures. The government is committed to ensuring that the costs of any new quarantine measures have a minimal impact on industry, while at the same time ensuring that biosecurity is not compromised. The HICC Finance Sub-Committee is working with AQIS on the Horse Imports Program budget to minimise the costs imposed on horse importers.

I agree that red-tape needs to be kept to a minimum when introducing new quarantine measures. As you indicated in your report, AQIS is working with industry to improve administrative processes in light of new quarantine arrangements.

I also anticipate that the number of players involved in implementing the government's response to the Callinan recommendations will reduce in the near future. Since my response to your first report in November 2008, the government released the Beale review and its preliminary response on 18 December 2008. The government's preliminary response to the


recommendations of the Beale review has clarified the role of the interim Inspector General of Horse Importation (IIGHI), which you raised as a matter of concern in your first report. The response indicated that, ahead of a statutory appointment, an interim Inspector General of Biosecurity (IIGB) will be appointed, subsuming the functions of the IIGHI. I am currently considering the most appropriate process for establishing this interim position.

I am grateful for your thorough report and intend to make it and this letter publicly available. Your report has provided an assurance that the government continues to make good progress in implementing the recommendations of the Callinan inquiry and that the risk of another equine influenza outbreak is being managed effectively. Through the implementation of the Callinan and Beale recommendations, the government remains committed to improving Australia's quarantine and biosecurity arrangements.

I would appreciate your continued oversight of the implementation of the government's response at this time.

I look forward to meeting with you to discuss this soon.

Yours sincerely



Tony Burke