

EQUINE INFLUENZA INQUIRY

SUBMISSIONS ON BEHALF OF THE STATE OF NEW SOUTH WALES

1. Introduction

- 1.1. Following the outbreak of an exotic disease affecting livestock such as equine influenza (EI) the overall policy of the State of New South Wales, underpinning its response to the outbreak, is the containment or control, then the eradication, if possible of the disease. Through co-operative arrangements and consultation involving the Commonwealth, States, Territories and peak livestock industry councils a comprehensive network has been established in Australia to enable an appropriate and timely disease control response to such endemic outbreaks.
- 1.2. To this end a comprehensive set of some 52 manuals has been developed as an Australian Veterinary Emergency Plan (AUSVETPLAN) covering all aspects of Australia's preparedness for an outbreak of an emergency animal disease. The evidence of Dr Bruce Christie, Chief Veterinary Officer, New South Wales Department of Primary Industries is that AUSVETPLAN provides the basis for emergency disease planning at National, State/Territory and district levels with the involvement of both animal health authorities and emergency management organisations.¹
- 1.3. Whilst it is not within the terms of reference of the Inquiry to consider or review State policies for the control and eradication of endemic animal diseases or emergency response planning of the kind referred to by Dr Christie, there is an obvious overlap between those policies and plans and biosecurity policies and procedures for the quarantine management of animals entering Australia. Moreover, although the second term of reference of the Inquiry specifically addresses the need for strengthened biosecurity measures in the context of the quarantine management of imported horses, the implications of those measures may flow through to other areas of quarantine management.
- 1.4. The evidence of Dr Christie also highlights the substantial delay by AQIS in notifying the State of New South Wales of the suspected presence of EI in

¹ WIT.DPI.002.0001

horses quarantined at the Eastern Creek Quarantine Station (ECQS) in August 2007 and the implications of that delay in the implementation of the procedures contained within the AUSVETPLAN.²

- 1.5. All suspicions of an exotic disease in a quarantine station should be reported to the quarantine premises' host state as soon as possible and certainly as soon as any samples are collected for diagnostic assessment of the presence of an exotic disease.
- 1.6. The evidence before the Inquiry has exposed a number of systemic failures in the development, documentation and implementation of quarantine processes necessary to ensure exotic pests and disease are kept out of Australia. Through their detailed and thorough submissions, Counsel Assisting the Inquiry have provided a comprehensive review and analysis of that evidence in the context of the specific terms of reference of the Inquiry relating to the August 2007 outbreak of equine influenza in Australia.² The State of New South Wales considers that analysis to be accurate and compelling.
- 1.7. Moreover at paragraphs 16.37 to 16.65 Counsel Assisting supplement their review of the evidence with a number of observations and recommendations, which are generally supported by the State of New South Wales. However, the draft exposure recommendations circulated to parties represented at the Inquiry contemplate statutory, regulatory, policy and administrative changes in relation to issues that may potentially have broader implications for quarantine management beyond the focus of the matters which strictly fall within the terms of reference of the Inquiry. In these submissions, the State seeks to lay particular emphasis on certain aspects of those issues

2. Cooperation across the Australian biosecurity continuum

- 2.1. Protection of Australian animals and plants from pests and diseases relies on pre-border, border and post-border elements. It is generally accepted that the activities undertaken at pre-border and border levels are the responsibility of the Commonwealth, in particular AQIS, and the majority of activities

² Given the depth of analysis contained in the Submissions of Counsel Assisting as to the circumstances that have contributed to the outbreak of EI in Australia and the identification of the evidence that supports that analysis, it is considered unnecessary to duplicate that effort or provide detailed evidentiary references for the purposes of these submissions.

undertaken following release of animals and plants from Commonwealth quarantine are the responsibility of the States and Territories.

- 2.2. However, policies and procedures addressing each of these elements have the potential to impact on each of the other elements and should be developed in consultation. Unfortunately, while government and industry consultation mechanisms are used routinely for the development and implementation of policies and procedures for post-border elements of the biosecurity continuum, this approach has not been evident to date in the development of policies and procedures affecting pre-border and border elements.
- 2.3. The State of New South Wales considers that pre-arrival and on-arrival quarantine policies and practices would be better informed by the relevant authorities drawing upon the pool of knowledge and experience resident in other parts of the Commonwealth, the States and Territories and with appropriate input from industry in the development, implementation and review of quarantine requirements. Moreover, successful integration of Commonwealth and State activities is likely to deliver more than just EI exclusion – it will enhance Australia’s prevention and response capability for all exotic animal and plant pests and diseases.
- 2.4. The principal inter-governmental consultation mechanism used to address post-arrival biosecurity issues in the animal area is the Animal Health Committee (AHC); a committee reporting to another intergovernmental committee – the Primary Industries Standing Committee (PISC) established under the Primary Industries Ministerial Council – through the Primary Industries Health Committee (PIHC). The AHC consists of the Chief Veterinary Officers (CVOs) of the Commonwealth, States and Territories (and New Zealand) along with representatives from the Australian Animal Health Laboratory (CSIRO) and Biosecurity Australia. The Australian Quarantine and Inspection Service (AQIS) and Animal Health Australia – a company whose members include industry and government – participate as observers.
- 2.5. The main purpose of AHC is to “develop science-based and nationally consistent policy on animal health issues, and to provide advice as necessary on animal health to PIHC and PISC”. The role of AHC is to provide “leadership in developing and implementing policy, programs, operational strategies and

standards for government in the areas of animal health, domestic quarantine, animal welfare and veterinary public health”³.

- 2.6. Government to industry consultations occur at a number of levels but most importantly through Animal Health Australia. The processes used by the network of governmental committees seek to ensure that a broad range of scientific and practical skills is brought to bear on all post-border biosecurity issues. While AQIS and Biosecurity Australia (BA) have positions on these committees, it has not been suggested in any of the evidence before the Inquiry that PEQ (pre-entry quarantine) and PAQ (post-arrival quarantine) have been the focus of discussions within these committees to date.
- 2.7. In order to ensure that all PEQ and PAQ issues are adequately addressed, the State of New South Wales recommends that AQIS be required to actively participate in the recognised existing (or new) government and industry consultative processes when developing, implementing, auditing, reviewing and reporting on quarantine policies and procedures.⁴ Whilst such a process may expose AQIS and the development of Commonwealth quarantine policies and protocols to some level of scrutiny and “peer review” – which hitherto it seems to have been keen to avoid – that scrutiny and review, in effect, operates as another defensive layer in the multiple defences designed to ensure the integrity of the quarantine system.

3. AQIS Organisational Management – the need for a comprehensive review

- 3.1. In its submission to the Inquiry, the Australian Horse Industry Council (AHIC) has commented upon “an inappropriate organizational culture within AQIS that inevitably failed when put to the test”.⁵ AHIC has noted some 24 specific issues relating to the Commonwealth’s management practices and the management structure of AQIS and management practices which may impede the efficacy of lines of communication within AQIS and between AQIS and the

³ see the Department of Agriculture Fisheries and Forestry web site at <http://www.daff.gov.au/animal-plant-health/animal/committees/ahc> (“the DAFF web site”)

⁴ It is expected that from 1 July 2008, a new National Biosecurity Committee (NBC) will become the new advisory committee to the PISC and the PIMC - replacing the PIHC. All primary industries’ health issues, including animal and plant biosecurity issues, are to be scrutinised by the new NBC prior to submission to PISC and PIMC: see the DAFF web site

⁵ SUBS.AHIC.001.0001 at 0008

horse industry. The submissions of Counsel Assisting deal, to some extent, with the organisational culture of AQIS and the breakdown in internal communication both within the various “programs” within AQIS and between AQIS as a Division of DAFF and BA as another Division of DAFF.

- 3.2. The evidence before the Inquiry strongly suggests that the agencies within DAFF act as independent organisations instead of offices or functional units integrated within a Commonwealth Government Department. A moribund, technically and managerially deficient DAFF impacts adversely on the quality of State veterinary administrations. As a major employer of animal health experts, AQIS and BA should be seamlessly collaborating with their State counterparts. They are not, apparently collaborating with each other, let alone the States.
- 3.3. The evidence identified in the submissions of Counsel Assisting as to the relationship between AQIS and BA concerning policy formulation for the importation of horses⁶ provides little comfort that these agencies have developed a systematic method of identifying problems in quarantine management that may be resolved by administrative, clinical or educational actions to ensure that actual outcomes meet acceptable standards. In short, there is scant evidence that either AQIS or BA has embraced a quality assurance (QA) approach to meeting appropriate standards (including international standards such as ISO 9001:2000) and to ensuring that a culture of continuous improvement is developed and maintained within an integrated quarantine organisation. QA systems such as these are directed to ensuring that policies and procedures are fully documented and implemented, competency is tested and maintained and that the management system is regularly reviewed through internal and external auditing processes.
- 3.4. Notwithstanding the useful observations of AHIC as to the implications of systems of “matrix management” it is submitted that the underlying problem that has afflicted the organisational management of AQIS does not lie in the exercise of a choice between systems of hierarchical or matrix management. Most complex organisations have, by necessity, the need for cross-functional management of programs or projects. The key for successful operation or

⁶ at SUBS.INQ.001.0034

implementation of these programs or projects is management competence and effective systems of QA.

- 3.5. It is submitted that the Inquiry may rationally conclude from the available evidence that the problems in management of the quarantine functions within DAFF are to do first and foremost with management competence and systemic failure, rather than the design and selection of particular management structures. That said, the State of New South Wales acknowledges that the difficulty in developing high quality managers who also have excellent technical knowledge relevant to their function is one that all veterinary administrations in Australia face.
- 3.6. Whether the appointment and promotion of “generic managers” who can move from one area of the public service to another (from natural resource management to quarantine management⁷) and a system of frequent rotation of managers as adopted by AQIS presents a potentially serious impediment to the development of an effective quarantine management system or was a contributing factor to the specific organisational failures identified by Counsel Assisting⁸ is not readily apparent on the available evidence. However, for present purposes, it suffices to say that a comprehensive review of all aspects of the management of the quarantine functions within DAFF appears warranted.
- 3.7. The State of New South Wales endorses the importance of documented procedures (SOPs and Work Instructions) for quarantine and the importation of horses. However, these need to be part of a total quality assurance system that includes audit or checking to ensure procedures are complied with and the employment and development of competent staff who embrace a philosophy of continuous improvement and who believe their most important role is to protect Australian animal and plant industries and environments.
- 3.8. Sufficient numbers of technically qualified staff who have sufficient knowledge of disease control and biosecurity measures to be able to design and implement procedures and practices to prevent entry of viruses (or rapid detection of them if they do enter) must be available.

⁷ see, for example, Mr Conall O’Connell’s work background: WIT.DAFF.006.0001

⁸ esp at SUBS.INQ.OO1.0178, par 16.35

4. Exposure Recommendations

- 4.1. The Inquiry has circulated a number of draft recommendations and invited submissions on the extent to which the Commissioner should formally adopt those tentative recommendations. The State of New South Wales endorses many of those recommendations with reservations as to some. In respect of a number of issues, the State considers that the Inquiry should highlight areas of concern and recommend referral of particular matters to the national technical consultative bodies identified above.

5. External audit and management structure - The Inspector General and the GVH

- 5.1. The draft recommendations at paragraphs 3 through 18 (read with paragraphs 31 to 41) of the Exposure Recommendations identify the need for a far greater focus on audit of quarantine stations and quarantine management practices. The State of New South Wales supports further consideration of appropriate audit procedures recognising that the systemic failures identified by the Inquiry that have impacted so significantly and so detrimentally on effective biosecurity of imported horses will almost certainly impact on effective biosecurity of other imports and pose similar risks to many other plant and animal industries and the community. For example, giving an external auditor role broader functions should have positive benefits for horse imports because failures in one area of quarantine will often point to potential risks for other imports.
- 5.2. However, the State of New South Wales has reservations about the detail contained in the abovementioned draft recommendations for a number of reasons that may be summarised as follows:
- (a) The concept of creating a special external auditor position of an “Inspector General of Horse Importation” with all the powers of a senior AQIS officer potentially raises a number of practical and logistical difficulties in that:
- (i) the principle of formalising a structure for external auditing purposes, if useful, could require the appointment of “Inspectors General” across tens, if not hundreds, of commodities;

- (ii) spreading or distributing responsibility for quarantine management away from DAFF and its agencies does not necessarily solve the management problems otherwise identified so cogently by the submissions of Counsel Assisting and other parties (including AHIC and the State of Queensland);
 - (iii) if this position is proposed to be “outside” the existing structures, it is exposed to that which is often described as “regulatory capture”; and
 - (iv) the functions as described may conflict with those allocated to the Executive Director of AQIS and other senior managers of DAFF and detract from the effective utilisation of the co-operative network of intergovernmental organisations previously identified.
- (b) The proposed Government Quarantine Veterinarian for Horse Importation (GVH) and creation of a hierarchical management structure for horse imports will not solve management problems such as communication blockages and delayed decision-making. Of necessity the horse import functions will remain to some degree integrated with other BA and AQIS functions – for example, ECQS is also used for the import of other animals, such as dogs, cats and bees. These issues are solved by getting properly qualified and experienced technical people into the senior management structure so that the quality of decision-making and appropriate resource allocation is enhanced.

5.3. The State of New South considers that the Commissioner’s recommendations should emphasise the need for structural and organisational changes that -

- (a) Clearly identify the position that is ultimately accountable for quarantine in DAFF to drive a change program with appropriate budget control;
- (b) Facilitate the development and implementation of a new Human Resources Plan for Animal Quarantine within DAFF to be fully implemented within a reasonable time (such as 12 months);
- (c) Allow for the development or enhancement of an “International Audit Section” within DAFF.

6. DAFF/Biosecurity Australia Policies – Auditing of PEQ

- 6.1. As is explored in some detail in the submissions of Counsel Assisting, the evidence before the Inquiry exposes serious weaknesses in the approval of PEQ premises⁹ and the procedures for PEQ¹⁰. There is a need for a comprehensive review of all aspects of PEQ with risks carefully identified and assessed.
- 6.2. The implementation of a comprehensive auditing process of veterinary administrations in other countries and the audit/management of individual consignments by AQIS staff is plainly called for. A system based on trust of importers and overseas certification authorities is no longer appropriate.
- 6.3. With some qualifications, the State supports all the draft recommendations (paragraph 19 of the Exposure Recommendations) that seek to provide stronger assurance of compliance with effective PEQ procedures. However, it is submitted that this responsibility should be a function, not of BA or AQIS, but of the Office of the Australian Chief Veterinary Officer.
- 6.4. The State recommends that:
- (a) the Office of the Australian Chief Veterinary Officer (OCVO) be formally recognised within DAFF as the responsible authority for quarantine effectiveness, with authority over BA and AQIS in animal quarantine matters;
 - (b) an international audit unit be implemented within the OVCO with the express function of evaluating overseas certifying authorities and with clear authority to stop the importation of horses to Australia from countries where the veterinary authority and biosecurity systems are found not to comply with necessary standards;
 - (c) the audit unit be staffed appropriately including, by arrangement with State authorities, secondment of competent staff from state veterinary authorities on a rotational basis, so that

⁹ SUBS.INQ.001.0079-0081

¹⁰ *ibid*, at 0070 - 0072

- (i) expertise developed by this unit will be shared with other participants in Australia's animal health system as a whole; and
 - (ii) the Commonwealth assists with the professional development of those staff who are involved in managing the response to quarantine failures.
- 6.5. The State of New South Wales supports most of the suggested additional PEQ testing procedures but considers that the technical detail of those testing procedures should be determined by BA utilising the consultative mechanisms described earlier in these submissions. For example, there may be room for constructive debate as to whether Australia should only accept horses from countries which use a qRT-PCR test in PEQ such that an antigen – ELISA test would not be allowed as an option (that it is an option is contemplated by sub-para 19(e) of the Exposure Recommendations). Evidence before the Inquiry suggests that an antigen – ELISA test has markedly lower sensitivity than the qRT-PCR test - and there is a real chance that an ELISA test would miss an infected horse that is vaccinated.
- 6.6. A risk analysis process that identifies the most efficacious vaccine(s) needs to be developed and undertaken annually and only those vaccines endorsed by BA should be accepted for use on horses coming to Australia.
- 6.7. The best technical solutions are not static. It is therefore considered appropriate for the Commissioner to recommend that processes be developed that are directed to the continuous review and improvement of PEQ testing procedures using all of the expertise available through the Australian biosecurity continuum – not just AQIS or BA – as well as overseas technical developments to make sure PEQ protocols and testing technologies are the best and most up to date for all species.
- 6.8. The responsibility for ongoing review and co-ordination of these processes and the adoption of technologies should continue to rest with BA.

7. Airport Facilities

- 7.1. In principle, the State of New South Wales acknowledges the value of enhancing quarantine facilities at the major aerodromes used for receiving imported horses. (paras 20-21 of the Exposure Recommendations). Procedures for unloading/loading horses to minimise contact with non-essential persons need to be reviewed and this will require consultation with the airport owners and livestock transporters.
- 7.2. As to the separation at the airport of horses from different origins that have travelled together, the State of New South Wales considers that there is little utility in adopting such a procedure as all horses would be exposed on the plane to the infection carried by another horse and, depending on vaccine efficacy, many may have become infected irrespective of their place of origin – some could be shedding virus but not showing, or may never show, clinical signs.

8. PAQ – ECQS and Spotswood

- 8.1. It is apparent that management of PAQ should be based on the assumption that the EI virus (or any other exotic disease) will or may enter with each consignment. Accordingly, each quarantine station must be staffed with appropriately qualified personnel operating from the basis of technical knowledge and expertise, managed by similarly qualified managers, all of whom embrace a quality assurance approach to the work tasks in hand, including a culture of continuous improvement.
- 8.2. It is submitted that a key issue concerns the need for BA needs to have a heightened appreciation of its responsibility for determining standards for quarantine stations, based on formal technical analysis of the issues. These are as much “policy” considerations as the development of policies upon which import conditions are based and which BA appears to have as its core business. The policies and procedures developed by BA should also be opened to wider scrutiny to ensure that they are developed to the highest standard and meet national strategic and operational needs.
- 8.3. The recommendations contained in exposure draft (paras 22 - 25) to upgrade security on quarantine stations and further develop standard operating

procedures (SOPs) (para 26) are broadly endorsed. The stations must be run so as to exclude all non-essential persons, including owners and work practices to give effect to desired quarantine outcomes must be assiduously followed.

- 8.4. Evidence provided to the Inquiry indicates that EI was most likely present at both ECQS and Spotswood following importation of the August 2007 consignment of horses from Japan. That the virus did not escape into the Victorian horse population indicates that biosecurity measures at Spotswood were most likely adequate, strengthening the argument that EI can be kept out of Australia in the future if adequate measures are put in place and rigorously observed.
- 8.5. While all quarantine policies and procedures should be reviewed following an in-depth risk analysis, the differences in the management of Spotswood and ECQS may provide important lessons for the future and help shape the development of work methods and implementation of SOPs.
- 8.6. Recommendations that ensure quarantine stations are adequately monitored by government staff, are operated using highly qualified staff, properly supervised and connected to their State counterparts should be an essential aspect of the Commissioner's deliberations.

9. Charges

- 9.1. The State of New South Wales endorses the proposed recommendation that the Commonwealth urgently reviews the factors that are taken into account in setting charges for and in respect of the importation and quarantining of shuttle horses for temporary importation into Australia so that those charges reflect the real costs of providing quarantine services for the owners of those horses. Overseas audits will require funding and the costs associated with the enhancement of PEQ and PAQ should be recouped from quarantine charges.

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