



**Australian Government**  
**Department of Agriculture,  
Fisheries and Forestry**

INTERIM INSPECTOR GENERAL OF BIOSECURITY

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**Assessment of the Biosecurity Services Group internal  
audit of Sandown Post-arrival Quarantine Facility**

**INTERIM INSPECTOR GENERAL OF BIOSECURITY  
REPORT  
June 2010**

No: 2009-10/05

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Note:

For the public release of this report personal information will be removed in accordance with the *Privacy Act 1998*.

## Summary

The Sandown post-arrival quarantine (PAQ) facility is the only privately operated premise that is currently approved for post-arrival quarantine of horses imported to Australia. Imported horses for the most part undergo post-arrival quarantine at government-operated facilities at Eastern Creek in Sydney and until recently, at Spotswood in Melbourne.

Some findings in the 2009 Australian Quarantine and Inspection Service (AQIS) audit report point to a significant systemic deficiency of the management and operations of the Sandown PAQ facility, operated by Racing Victoria Limited (RVL), to meet the biosecurity requirements for imported horses. These findings were of a major defect in quarantine surveillance procedures at Sandown and a minor defect in entry/exit control together with issues of inadequate documentation and record management control.

An audit by the Interim Inspector General of Horse Importation (IIGHI) in October 2008 found deficiencies in the operations at the Sandown (Woodlands) PAQ facility. These included a medium level deficiency in biosecurity entry/exit procedures.

I am aware that the Sandown facility is soon to be replaced by a new facility in Werribee, still to be operated by RVL. It is my understanding that the Sandown facility handles and the Werribee facility will handle few horse import consignments annually. These mostly occur in the lead-up to the spring racing season in Victoria. This may make challenging the retention of biosecurity-aware operational staff and the delivery of full compliance with requirements for imported horses at all times during a PAQ period.

On the basis of audit findings of the IIGHI in 2008 and AQIS in 2009, there are grounds to question the ability or possibly the commitment of RVL to manage these challenges and to assure full compliance with requirements for imported horses in training that use the PAQ facility.

Before further approval is given to import horses through Sandown or possibly Werribee, facilities operated by RVL, I consider it to be imperative that AQIS ensure that corrective actions to audit findings have been carried out satisfactorily. Improvements in entry/exit procedures, staff training and document management should also be verified.

I support the corrective action requirements and recommendations in the 2009 AQIS audit report of the Sandown PAQ facility.

## Table of recommendations

Rec #	Recommendation	BSG Response
1	In future, AQIS audits of operations and procedures that have earlier been audited by a recognised audit provider (for example, the Interim Inspector General of Biosecurity or Interim Inspector General of Horse Importation during 2008-09 or the Australian National Audit Office) should include an assessment of changes made in response to adopted recommendations made in the relevant report.	Agree.
2	AQIS should include in the role of operational oversight by the official veterinarian added measures to assure that entry/exit biosecurity requirements are fully met by all personnel for any privately run quarantine facility.	Agree.
3	AQIS should withhold approval of Racing Victoria Limited (RVL) to conduct post-arrival quarantine operations at either its Sandown or prospective Werribee facilities pending appropriate corrective actions by RVL to findings in the AQIS audit. This should also entail a detailed follow-up assessment by AQIS of the ability to RVL to meet standards of documentation and training and to fully comply with biosecurity requirements in the future.	Agree.



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Kevin Dunn  
Interim Inspector General of Biosecurity



**Deputy Secretary and  
Executive Director**  
Australian Quarantine and Inspection Service

Ms Karen Nagle  
General Manager  
Audit and Evaluation Branch

Dear Ms Nagle

Thank you for your letter of 12 August 2010 providing me with the opportunity to comment on the draft audit report *Assessment of the Biosecurity Services Group internal audit of Sandown Post-arrival Quarantine Facility* prepared by the Interim Inspector General of Biosecurity (IIGB).

I acknowledge the important contribution the IIGB's independent scrutiny makes to the effective delivery of functions across the biosecurity system. As you would be aware, managing risks associated with live animal imports, including horses, involves addressing risks prior to export, on arrival in Australia and during the post arrival quarantine period. Biosecurity Services Group (BSG) is continuing to improve its management of biosecurity risks associated with live animal imports, including horse imports.

I note the IIGB's concerns about Racing Victoria Limited's (RVL's) ability or commitment to fully comply with biosecurity requirements for imported horses given the intermittent nature of horse imports. I support the IIGB's findings of deficiencies in the operations at RVL's post arrival quarantine facility at Sandown which is consistent with BSG's audit of the facility in 2009. It should be noted that since the IIGB's audit, RVL's post arrival quarantine facility at Sandown has closed and construction of the new Werribee International Horse Centre has been completed.

BSG has worked closely with RVL in providing design advice during the construction of the facility at Werribee to ensure that the structure provided the necessary security and segregation capacity to meet biosecurity requirements. BSG also assisted RVL with the development of standard operating procedures in order to avoid the systematic deficiencies that were apparent at the Sandown facility. The Werribee International Horse Centre standard operating procedures manual has incorporated procedures established at BSG's facility at Eastern Creek that meet the biosecurity standards set out in the report of the equine influenza Inquiry conducted by the Hon. Ian Callinan AC in 2007.

The Werribee International Horse Centre was formally approved as a quarantine approved premises in early September 2010 following BSG's assessment and approval of the standard operating procedures manual and the site. BSG is monitoring RVL's compliance with biosecurity requirements in accordance with BSG's *Quarantine Approved Premises General Policies*. This policy sets out the audit regime and sanctions that apply to quarantine approved facilities based on compliance performance and biosecurity risk associated with the approved premises category of the facility.

Of direct relevance to the IIGB's scrutiny of processes and procedures for horses, is the department's progress implementing the recommendations made by the Hon. Ian Callinan AC following the Equine Influenza Inquiry in 2007. Of the 38 recommendations a total of 33 have been implemented including three in the past year. Work is continuing on one recommendation to upgrade facilities. Implementation of a further recommendation, for periodic reviews of the import risk analysis, will occur in 2012. The remaining three recommendations have been overtaken by the 2008 independent review of Australia's quarantine and biosecurity arrangements (the Beale review).

Professor Peter Shergold AC, engaged to assess the implementation of the government's response to the Equine Influenza Inquiry recommendations, has recognised the rigour of the response and the strong commitment to ongoing implementation of enhanced biosecurity controls at both the pre-export and post-entry stages. Professor Shergold AC has suggested that the forward challenges will be vigilance in maintaining the improved biosecurity measures and ensuring the focus on horse activities is balanced within the broader range of biosecurity priorities.

BSG's full response to the recommendations identified in the draft report are included in the attached table of recommendations.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Rona Mellor', written in black ink.

Rona Mellor

30 September 2010

## **Audit objective**

To independently assess the outcomes of the internal audit undertaken by the AQIS of the Sandown PAQ facility. For reasons of commercial confidentiality the AQIS audit report is not provided.

This assessment forms part of the Interim Inspector General of Biosecurity (IIGB) 2009-10 assurance work program.

Auditor: Dr Kevin Dunn, Interim Inspector General of Biosecurity

## **Background**

Under ongoing commitments to the Australian Government's response to the 2008 Report of the Equine Influenza Inquiry, the IIGB continues to undertake periodic audits of operations and procedures that are applied to the importation of horses to Australia.

Biosecurity procedures for horses exist for either permanent or temporary importation. Temporary importation applies in most cases to international horses that compete in major racing or equestrian events in Australia after which they are re-exported. An important component of the biosecurity procedures is the requirement that each imported horse undergo PAQ for a specified period of time in a government animal quarantine station or other approved quarantine station.

The Sandown PAQ facility is an approved quarantine station that is part of the Sandown Racecourse located in Springvale, Victoria. It is operated by RVL. Sandown PAQ facility is used principally for horses temporarily imported for racing events in the Melbourne area. RVL is planning to replace the Sandown PAQ facility with a purpose built facility at Werribee, Victoria.

In my previous role as IIGHI, I undertook an audit of operations and procedures of the Sandown PAQ facility on 21 October 2008. At that time the Sandown facility consisted of two discrete premises (Woodlands and Tabaret) that could conduct PAQ periods for separate consignments of horses. That audit involved the Woodlands facility that, at the time, contained international horses undergoing quarantine. AQIS was provided with a copy of the IIGHI audit report in 2009.

On 14 October 2009, AQIS undertook an audit of the Sandown PAQ facility against the current AQIS Import Conditions for Horses (for Racing) - Live. The AQIS audit report does not specify which of either of the Sandown PAQ facilities was the subject of the audit or whether both facilities were inspected.

As IIGB, I have assessed the outcomes of the 2009 AQIS audit report also reflecting on the outcomes and recommendations of the 2008 IIGHI audit.

## **Interim Inspector General of Biosecurity assessment**

### **1. Inadequacy in audit planning on this occasion**

The AQIS audit does not make reference to the audit of the same facility and operations that the IIGHI conducted in October 2008 or to the recommendations concerning several aspects of biosecurity procedures that were then found to need corrective action.

No follow up assessment is included in the AQIS audit of any corrective actions made to operations or procedures stemming from 2008 IIGHI audit.

This points to a need for greater coordination of AQIS internal audit procedures to ensure that relevant previous audit outcomes (internal or external) are considered in the preparatory stages before an audit is conducted.

#### ***Recommendation 1***

***In future, AQIS audits of operations and procedures that have earlier been audited by a recognised audit provider (for example, the IIGB, or IIGHI during 2008 09 or the Australian National Audit Office) should include an assessment of changes made in response to adopted recommendations made in the relevant report.***

### **2. Quarantine Surveillance**

*(2009 AQIS audit report Ref. 2)*

The finding by the AQIS audit of the unauthorised removal of a horse from Sandown PAQ facility without quarantine surveillance measures in place is correctly reported by AQIS as a major compliance defect. This suggests that a serious systemic weakness exists in application of biosecurity conditions and possibly even of attitudinal approach may exist in the management at Sandown PAQ facility.

This concern is further reinforced by findings elsewhere in the AQIS audit report that involve Sandown PAQ entry/exit procedures and documentation and records management. These are discussed individually below.

### **3. Record Keeping**

*(2009 AQIS audit report Ref. 4, 24)*

The October 2008 audit by the IIGHI found that document control was sub-standard. The health certificates and identification papers of the horses undergoing PAQ at that time could not be located during the audit. Control of those documents during the PAQ period was reported to the IIGHI to be the responsibility of the Sandown facility's management. The IIGHI was advised later that day that the documents had been located in the filing system of the main Sandown offices of RVL who manage the operations of the Sandown PAQ facility.



The findings of the AQIS audit that documentation requested for audit of compliance with entry and PAQ period were difficult to locate suggests that there has been little or no significant improvement in management of documents that are important to biosecurity.

#### **4. Currency of Standing Operating Procedures**

*(2009 AQIS audit report Ref. 5)*

The AQIS audit found that the standard operating procedures (SOP) need to be updated to reflect current practices and to bring them into line with current AQIS work instructions. In particular regarding the management of straw bedding waste (including any grass seeds) and wash-down runoff for the facility. This is a reasonable finding and I support improved SOP documentation.

This action will appropriately address the need to manage plant pest or weed risks associated with accompanying hay of overseas origin used to feed the horses during the long air transportation to Australia.

The 2008 IIGHI audit was done essentially in the context of equine disease risk management. It inspected the nominated vehicle wash-down site on the gravel surface of the roadway inside the entry gates of the PAQ. RVL management explained that procedures involved ground sheets and soaker sponges being used to capture much of the run off water from horse transport vehicle wash-down.

The IIGHI audit found that any wash-down water run-off from truck cleaning went into a permanent pond immediately adjacent to the Sandown (Woodlands) PAQ premises that was fully fenced-off and was within the RVL property at Sandown. No other horses had access to this area and hence equine disease risks were suitably addressed.

#### **5. Shower-out facility and procedures**

*(2009 AQIS audit report Ref. 22)*

The 2008 IIGHI audit found a medium-level deficiency in compliance with documented entry and exit procedures from the PAQ facility by the front office security officer who is located outside the PAQ biosecurity area. That audit also found that there was a need for better physical separation of outside (clean) from the inside (dirty) areas of the shower-out facility.

The AQIS audit found that the entry and exit procedures that involve donning a change of clothes and showering-out were enforced. It is not clear whether the specific issue of compliance with entry-exit procedures by the security guard from the front office has been addressed satisfactorily. Sandown PAQ management was expected to have made changes to the SOPs and training to rectify that deficiency found in the 2008 IIGHI audit.

I agree with the AQIS audit report's finding of concern that having the large number of security personnel involved in the PAQ risks an inadequacy of knowledge by them of biosecurity entry and exit requirements. Similarly the concern regarding the lack of a documented procedure for the return of clothing of personnel who enter the PAQ facility within a reasonable timeframe after the quarantine period is finished is supported.

The 2008 IIGHI audit finding that a PAQ staff member displayed disregard for the entry/exit procedures and the AQIS audit findings in this area point to a systemic problem in awareness and compliance with entry/exit procedures.

The AQIS audit finding of 13 people inside the PAQ at the time of audit including four trainers and four riders together with the finding of 15 security officers also on the approved (for entry to the PAQ) persons list, highlights the difference between operations of this PAQ facility and the operations of Eastern Creek PAQ facility. Few people are authorised to enter the latter PAQ facility. The coming and going of people associated with horses outside the facility is higher at Sandown because of its role in servicing imported horses that remain in training.

The fact that the horses undergoing PAQ at Sandown includes, for the most part, well-known racehorses often trained by high-profile international trainers creates a situation of high interest in staff associated with operations of the PAQ. I understand that several of those staff persons have been contracted by RVL just for the period of the quarantine. This creates a situation where people such as security personnel who have no role in handling horses nevertheless may be tempted to approach and pat these high profile horses if circumstances allow them to. Coupled with the AQIS audit findings of likely inadequate awareness of biosecurity requirements for the PAQ facility, this is more reason to expect tight compliance with documented procedures by well-trained personnel.

***Recommendation 2:***

***AQIS should include in the role of operational oversight of the Sandown PAQ by the official veterinarian added measures to assure that entry/exit biosecurity requirements are fully met by all personnel.***

**6. Inadequate recording of personnel entering the PAQ facility**

*(2009 AQIS audit report Ref. 25)*

The findings of procedural inadequacy by Sandown PAQ security staff during the entry of the AQIS auditor point out unsatisfactory performance by RVL management. At any audit, an auditor is mindful of the likelihood that management will have briefed staff to be sure to follow the procedures thoroughly before a scheduled audit takes place. Apparent unfamiliarity with procedures in this environment is even more concerning.

That entry procedures for external personnel were not complied with at this audit points to a possible indication of unsatisfactory attitudes by RVL management to biosecurity requirements and any audits thereof.

## **7. Operational Manual of Procedures**

*(2009 AQIS audit report Ref. 16)*

I support the AQIS report finding of the need to revise the HACCP Manual of Operating Procedures for the PAQ facility at Sandown, especially in relation to the entry/exit requirements and the operational management of ground transport vehicle wash-down at the Sandown PAQ facility after the arrival of imported horses.

### ***Recommendation 3:***

***AQIS should withhold approval of RVL to conduct PAQ operations at either its Sandown or prospective Werribee facilities pending appropriate corrective actions by RVL to findings in the AQIS audit. This should also entail a detailed follow-up assessment by AQIS of the ability to RVL to meet standards of documentation and training and to fully comply with biosecurity requirements in future.***