**Exploring options for a National Horse Traceability System**

December 2022

**Background**

Horses can act as vectors spreading diseases such as equine influenza, Hendra virus and vesicular stomatitis that can have significant economic and human health impacts. In the event of an emergency animal disease outbreak, it is essential that horses that may have been exposed are able to be quickly and reliably located with the ability to contact the relevant carer/person in charge.

In late 2020, Australia’s Agriculture Ministers and Racing Ministers established the National Horse Traceability Working Group (NHTWG) comprising government and industry representatives, and gave it the task of providing advice on the design of a traceability system with a focus on biosecurity, for horses, donkeys and mules (collectively referred to as horses).

**Traceability system analysis**

In late 2021, the NHTWG sought advice from a number of expert sources and commissioned Marsden Jacobs Associates (MJA) to review and describe options for a National Horse Traceability System (NHTS).

After considering the MJA report, the NHTWG agreed on two options for further in-depth analysis:

* A system based on mandatory movement recording by industry participants, underpinned by the use of Property Identification Codes (PICs) (Option 2 in the [MJA report](https://agriculture.vic.gov.au/__data/assets/pdf_file/0019/834211/Marsden-Jacob-DJPR-Horse-Traceability-Systems-Report.pdf)), or
* A microchip-based system supported by a national ownership and movement database (Option 4 in the [MJA report](https://agriculture.vic.gov.au/__data/assets/pdf_file/0019/834211/Marsden-Jacob-DJPR-Horse-Traceability-Systems-Report.pdf)).

With two options identified, the NHTWG engaged KPMG to assess the costs and benefits of each. KPMG’s analysis determined that both options would deliver the desired biosecurity outcomes but Option 2 would be substantially more cost effective in terms of implementation and ongoing costs.

**What is a PIC?**

A Property Identification Code (PIC) is a unique eight character identifying code allocated by the agency responsible for animal health in each state or territory. It identifies a parcel or parcels of land on which livestock are or may be held.

Information regarding each PIC is held in registries maintained by the states or territories. This generally includes:

* Name and/or address of the property
* Name of the property owner and their contact details
* Name of the livestock manager/carer and their contact details
* Geospatial information about the parcel/s of land associated with the PIC, and
* Species present (including domesticated horses).

Owners and managers of horses must ensure that the properties on which their horses are kept have a PIC. Businesses responsible for land where horses will visit or attend must ensure the land has been assigned a PIC. In most states, properties on which livestock are kept must already have a PIC, such as farms, residential properties where livestock live, racetracks, transit depots, studs, veterinary practices, knackeries, abattoirs, public auction houses including saleyards, and rodeo, camp drafting and agricultural show venues.

The PIC system is the cornerstone of Australia’s National Livestock Identification System (NLIS) for cattle, sheep, goats and pigs, and will play a central role in the proposed NHTS.

**NHTWG recommendations**

Having taken into consideration the diverse range of purposes for which horses are kept in Australia, current biosecurity threats and cost, the NHTWG recommended to Australia’s Agriculture Ministers that Option 2 be introduced, subject to agreement on funding. The features of this option include:

* The registration and assigning of PICs to all properties throughout Australia on which domesticated horses reside.
* Uniform national PIC​ business rules for properties on which horses reside.
* Enforcement by the states and territories of PIC rules and associated legislation.
* Mandatory recording by industry participants of horse movements between PICs.
* Voluntary microchipping in a standardised manner and associated registration of ‘chipped’ horses on existing databases.
* Mandatory microchipping as an option in sectors where there is a particular need, such as to support integrity imperatives within the racing industries.
* Use of industry-managed microchip or paper-based tracking ​(no national ownership or movement register)​.
* Embedding of PIC data in industry registers.
* Industry registers with authority to release data to government agencies specifically and exclusively for biosecurity and emergency response purposes.

The NHTWG also recommended that an industry-led National Horse Traceability Implementation Taskforce be formed with responsibilities including exploring options for generating the funding needed for system implementation and maintenance, in particular covering costs associated with communications, monitoring and enforcement.

**Why not microchips?**

Although the introduction of a NHTS based on the mandatory identification of each horse with a microchip may be advantageous in the future, the NHTWG agreed that Option 2 provides a base level policy and system platform as a starting point to deliver a workable traceability system for biosecurity purposes. It also allows for a more comprehensive NHTS to be introduced at a later date if required and if funding is available.

The NHTWG recognised that, at this time, mandatory microchipping and movement recording on a national database would add significant additional costs and could result in compliance and integrity issues for minimal improvement in tracing efficiency for biosecurity purposes.

The NHTWG acknowledged that Option 2 is a significant departure from the current requirements for people and businesses involved in the horses industry. At present, the recreational horse industry is largely unregulated. The recommended changes will increase regulation and require legislative amendments for all sectors of the horse industry and governments. Considerable stakeholder support will be needed to successfully implement the system, which will form part of the focus of the work of the National Horse Traceability Implementation Taskforce.

**Next steps**

Australian Agriculture Ministers endorsed the NHTWG’s recommended approach to development of a horse traceability system at its December 2022 meeting. A National Horse Traceability Implementation Taskforce, led by industry representatives, will be formed to oversee the implementation and operation of the traceability system on behalf of the jurisdictions. Further updates will be provided as work progresses.

**More information**

For detail on the NHTWG and the final report, visit the [AgVic website](https://agriculture.vic.gov.au/livestock-and-animals/horses/horse-traceability).