

Chapter 1

Introduction and context of inquiry

Referral

1.1 On 21 March 2017 the Senate referred the following matters to the Rural and Regional Affairs and Transport References Committee (the committee) for inquiry and report by 22 June 2017:

The biosecurity risks associated with the importation of seafood and seafood products (including uncooked prawns and uncooked prawn meat) into Australia, with specific reference to:

- (a) management of the emergency response and associated measures implemented to control the outbreak of White Spot Syndrome Virus;
- (b) the effectiveness of biosecurity controls imposed on the importation of seafood and seafood products, including, but not limited to, uncooked prawns and prawn meat into Australia, including the import risk analysis process concluded in 2009 that led to these conditions being established;
- (c) the adequacy of Commonwealth resourcing of biosecurity measures including Import Risk Assessments;
- (d) the effectiveness of post-entry surveillance measures and 'end use' import conditions for seafood products including, but not limited to, uncooked prawns and uncooked prawn meat into Australia, since the import conditions implemented in 2010 were put into place;
- (e) the impact of the outbreak on Australia's wild and farm prawn sectors;
- (f) the economic impact on Australian wholesalers and retailers;
- (g) domestic and foreign trade implications for Australian industries resulting from the suspension of importation of seafood and seafood products, including, but not limited to, uncooked prawns and uncooked prawn meat in Australia;
- (h) matters to be satisfied in the management of biosecurity risk before imports of seafood and seafood products, including, but not limited to, uncooked prawns and uncooked prawn meat into Australia could recommence; and
- (i) any related matters.¹

1.2 On 22 June 2017, the committee tabled a substantive interim report. On the same day, the Senate approved an extension of time for the tabling of a final report, to 7 December 2017.²

1 *Journals of the Senate* No. 32, 21 March 2017, pp. 1106-1107.

2 *Journals of the Senate* No. 48, 22 June 2017, p. 1552.

Conduct of inquiry

1.3 The inquiry was publicly advertised online, including on the committee's website. The committee also directly invited submissions from a number of organisations and individuals with interests and expertise in the seafood industry.

1.4 The committee received 19 submissions. A list of individuals and organisations that made public submissions to the inquiry, together with other information authorised for publication, is at Appendix 1.

1.5 Prior to tabling the interim report, the committee held public hearings in Canberra on 28 March 2017, and in Brisbane on 10 April 2017. The committee has since held public hearings in the following locations:

- Yatala, Queensland on 27 June 2017 (including a site visit to prawn farms along the Logan River);
- Canberra on 28 August 2017; and
- Canberra on 11 September 2017.

1.6 Details of the hearings referred to above can be found in Appendix 2. All public submissions and the Hansard transcript of evidence from the hearings can be accessed through the committee's website.³

Acknowledgements

1.7 The committee would like to thank the individuals and organisations who contributed to this inquiry by making submissions, as well as appearing before the committee to give evidence.

1.8 The committee particularly thanks those prawn farmers who allowed the committee to tour their farms during a site visit to the Logan River area, on 27 June 2017.

1.9 Senator Chris Back of Western Australia was a member of the committee until his retirement from the Senate on 22 June 2017. Senator Back provided invaluable expertise to the committee during his time with this and many other rural and regional affairs inquiries. The committee thanks Senator Back for his untiring contribution to the work of this committee and wishes him well in his future endeavours.

Background

1.10 The fisheries and aquaculture industries in Australia are of considerable value. In 2014-15, the production value of these industries was \$2.8 billion. However,

3 See www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport.

seafood imports are required to 'fill the gap between consumption and available domestic supply'. In 2014-15, 227 612 tonnes of seafood was imported into Australia and accounted for approximately 67 per cent of Australia's total apparent seafood consumption.⁴

1.11 Australia exports high-value seafood such as rock lobster and abalone, while importing items such as canned fish and frozen prawns. These lesser value products come from countries with lower labour costs, particularly Vietnam, China and Thailand.⁵

1.12 The majority of raw prawn imports to Australia are from Asia. In 2015-16, the major importing countries were China (6 720 tonnes), Malaysia (2 307 tonnes), Vietnam (1 354 tonnes), Indonesia (604 tonnes) and Thailand (197 tonnes). Between 2009-10 and 2015-16, 88 429 tonnes of uncooked prawns were imported into Australia.⁶ The value of imported prawns into the Australian market in 2015-16 was \$400.87 million.⁷

1.13 Australia produces 20 000 to 25 000 tonnes of prawns annually through prawn aquaculture and wild catch. This volume is not adequate to meet the existing domestic demand for raw, green prawns. Australia would need to double its prawn production to meet this demand.⁸

1.14 With such high volumes of seafood imports required to meet demand, it remains imperative that Australia has effective biosecurity controls to ensure that exotic diseases in any imported products do not enter Australia. As evidenced by the recent white spot disease (WSD) outbreak, such diseases can have disastrous impacts on local seafood industries.

Aquatic diseases

1.15 While the WSD outbreak in 2016 was a central focus of the committee's inquiry, the committee also heard evidence of the potentially devastating impact of aquatic disease incursions on local seafood and aquaculture industries more broadly.

1.16 The NSW Aquaculture Association Inc. noted that raw prawn meat was not the only vector for WSD. The Association submitted that exotic freshwater crayfish

4 Australian Bureau of Agricultural and Resource Economics and Sciences, *Australian fisheries and aquaculture statistics 2015*, December 2016, pp. 1-2.

5 Department of Agriculture, *Australian food statistics 2012-13*, June 2014, p. 29.

6 Department of Agriculture and Water Resources, answers to questions on notice, 11 September 2017 (received 26 September 2017).

7 Department of Agriculture and Water Resources, answers to questions on notice, 5 September 2017 (received 18 September 2017).

8 Dr Patrick Hone, Fisheries Research and Development Corporation, answer to question taken on notice, 28 August 2017 (received 5 September 2017).

were being illegally traded within Australia, despite being known carriers of white spot syndrome virus (WSSV). The Association raised a number of concerns regarding the sale of illegal species in Australia, and with a lack of enforcement, coordination and post-entry surveillance by government entities.⁹

1.17 The National Aquaculture Council (NAC) noted that global aquaculture had expanded tenfold over the past 30 years. During this time more than 15 new aquaculture diseases had been described, most of which are exotic to Australia. Regarding biosecurity, the NAC argued that the highest risk products were fresh and frozen seafood produced in overseas aquaculture facilities and imported into Australia.¹⁰

1.18 Mr Aaron Irving of the NAC argued that:

the ever-increasing biosecurity risk profile posed by imported seafood products is punctuated with severe ecological and economic consequences on aquaculture, which is a rapidly growing industry section and has already surpassed the \$1 billion GDP per annum mark.¹¹

1.19 The Northern Territory Seafood Council (NTSC) noted its concerns regarding the potential ecological impacts of pests and diseases entering the Australian ecosystem, and the difficulties in taking action once a disease is established in the environment. The NTSC summarised the impacts that biosecurity breaches can have, stating that:

Biosecurity breaches impact more than farm production – they can also jeopardise wild harvest fisheries, recreational fishing, Indigenous people's cultural practices and food security, food service and tourism sectors, the consumer's ability to source Australian seafood, as well as more broad-ranging and unpredictable negative impacts on the marine environment, ecology and biodiversity.¹²

1.20 The NTSC argued that with the Northern Territory being one of the largest producers of saltwater barramundi in the country, it held serious concerns about the importation of whole, fresh barramundi and associated waste products into Australia, from 'high risk areas'. The NTSC called for the importation of only cooked barramundi products.¹³

9 NSW Aquaculture Association Inc., *Submission 4*.

10 National Aquaculture Council, *Submission 17*, pp. 4, 9.

11 Mr Aaron Irving, National Aquaculture Council, *Committee Hansard*, 28 August 2017, p. 3.

12 Northern Territory Seafood Council, *Submission 7*, p. 1; Northern Territory Seafood Council, *Submission 7.1*, p. 1.

13 Northern Territory Seafood Council, *Submission 7*, pp. 1-2; Northern Territory Seafood Council, *Submission 7.1*, p. 1.

1.21 Further to this, the Australian Barramundi Farmers Association (ABFA) noted that there were serious disease risks to Australia's wild and farmed barramundi stocks and aquatic ecosystems from the 'improperly regulated importation of fish and fish product into Australia'. The ABFA also called for the importation only of cooked barramundi. The ABFA argued that a biosecurity breach:

will impact the availability of safe, disease free, high quality Australian seafood for the domestic and international markets. This is both a food security and a domestic and international trade issue due to reduced product availability and loss of market access.¹⁴

Logan River white spot outbreak

1.22 WSD is a crustacean disease of great concern to Australia, given it is the most serious viral pathogen of cultured prawns. It is a highly virulent disease that can spread quickly, causing 100 per cent mortality in farmed prawns within two to seven days of infection.¹⁵ It has been described as 'the disease of prawns that the seafood industry and biosecurity agencies fear the most'.¹⁶

1.23 As noted by the committee's interim report, WSSV, the virus that causes WSD, is exotic to Australia. Prior to the 2016 outbreak, Australia was one of the few countries in the world with a WSD-free prawn farming industry.¹⁷

1.24 The evidence which confirmed that Australia was white spot free, prior to 2016, came from multiple sources. It included the absence of clinical disease on farms, passive surveillance on prawn farms, testing of wild caught broodstock, and targeted surveillance of wild caught prawns.¹⁸

1.25 Prior to the 2016 Logan River outbreak, there had been only one major prior incident involving WSSV in Australia. In 2000, two Darwin aquaculture research facilities accidentally used imported WSSV-infected prawns as feed, resulting in prawns and mud crabs testing positive to WSSV. Following destruction of all crustaceans at

14 Australian Barramundi Farmers Association, *Submission 12*, pp. 1, 4.

15 Department of Agriculture and Water Resources, *Report into the cause of white spot syndrome virus outbreak in the Logan River area of Queensland – December 2016, Interim report*, May 2017, p. 5.

16 Dr Len Stephens, *Final Report: Prawn White Spot Disease Response Plan*, Fisheries and Research Development Corporation, March 2017, p. 8.

Further information on white spot disease, including a description of the disease and its signs and symptoms, can be found in Chapter 1 of the committee's interim report.

17 Department of Agriculture, *Disease strategy: White spot disease (Version 2.0)*, Australian Aquatic Veterinary Emergency Plan (AQUAVETPLAN), 2013, p. 9; Queensland Department of Agriculture and Fisheries, *White spot disease information*, 2017.

18 Department of Agriculture and Water Resources, *Report into the cause of white spot syndrome virus outbreak in the Logan River area of Queensland – December 2016, Interim report*, May 2017, p. 14.

the facilities, subsequent testing in December 2000 found no evidence of WSSV in wild crustaceans in the vicinity of the research facilities.¹⁹

Initial outbreak

1.26 The committee's interim report provided some detail on the outbreak and spread of WSD throughout the prawn farms of the Logan River, and into the Moreton Bay area, following initial confirmed detection of the disease on 1 December 2016.

1.27 The white spot outbreak resulted in seven prawn farms along the Logan River losing all their stock, including stock in growout ponds and hatcheries, due to quarantine measures such as chlorination. These farms must remain fallow until the second half of 2018.²⁰

1.28 On the detection of white spot in wild prawns in Moreton Bay in March 2017, a movement control order was implemented from Caloundra, Queensland to the NSW border. The order prevented the movement of raw seafood products out of the area. Some amendments to the control order have been made since it was introduced in March, such as allowing the movement of low-risk species like crabs, lobsters and bugs outside the area. However, as of 25 October 2017 yabbies, marine worms and raw prawns remained restricted and could not be removed from the movement control area.²¹

1.29 The committee notes that the details of the white spot outbreak and its spread along the Logan River, and into Moreton Bay, have been thoroughly documented elsewhere. A number of reports have considered the cause of and response to the outbreak, the adequacy of the responses, the economic impact of the outbreak, and the efficacy of import conditions for raw prawn products. The Fisheries Research and Development Corporation (FRDC) in particular supported a number of reports into the outbreak, some of which considered the initial detection and spread of WSD in late 2016.²²

19 Department of Agriculture and Water Resources, response to questions on notice, 5 September 2017 (received 18 September 2017).

20 Further information on the outbreak and spread of WSD can be found in Chapter 1 of the committee's interim report.

21 Queensland Department of Agriculture and Fisheries, *White spot disease*, 20 September 2017, <https://www.daf.qld.gov.au/animal-industries/animal-health-and-diseases/a-z-list/white-spot-disease> (accessed 10 October 2017).

22 See for example: Dr Ben Diggles, *Field observations and assessment of the response to an outbreak of White Spot Disease (WSD) in Black Tiger Prawns (Penaeus monodon) farmed on the Logan River in November 2016*, Fisheries and Research Development Corporation, 21 February 2017.

A full list of FRDC white spot reports can be found at: <http://frdc.com.au/sitecore/content/frdc/environment/aquatic%20animal%20health%20and%20biosecurity/white%20spot%20syndrome> (accessed 29 September 2017).

White spot disease outbreak response

AQUAVETPLAN and white spot

1.30 As highlighted in the committee's interim report, the Australian Aquatic Veterinary Emergency Plan (AQUAVETPLAN) for WSD sets out the disease control principles for use when white spot is suspected, or confirmed as detected, in a prawn population. The AQUAVETPLAN provides three broad options for the control of white spot:

- Eradication – the highest control and could be the most cost-effective in the long-term, aiming to return Australia to freedom from WSSV;
- Containment, control and zoning – containing WSSV to areas where it has become endemic, preventing further spread to uninfected areas; and
- Control and mitigation – management practices to decrease the incidence and severity of clinical disease outbreak (the lowest level control measure and assumes the virus will remain endemic to Australia).²³

1.31 The AQUAVETPLAN also provides that the Chief Veterinary Officer (CVO) of a jurisdiction where an outbreak occurs must develop an Emergency Animal Disease response plan, which is submitted to the Aquatic Consultative Committee on Emergency Animal Diseases (AqCCEAD) for review prior to implementation.²⁴

1.32 During the Logan River WSD outbreak, the AqCCEAD's role was to 'provide technical advice to Biosecurity Queensland on response activities and objectives, facilitate Australia's international reporting obligations and coordinate communications'.²⁵

1.33 As WSSV is listed by the World Organisation for Animal Health (OIE) as a disease exotic to Australia, Australian authorities were required to report the Logan River outbreak to the OIE and respond according to pre-agreed procedures.²⁶

1.34 Chapter 9.8 of the Aquatic Animal Health Code, established by the OIE, specifies a number of circumstances whereby a country can declare itself free from white spot, known as 'proof of freedom'. Eradication efforts under the

23 Department of Agriculture, *Australian Aquatic Veterinary Emergency Plan, Disease Strategy, White spot disease*, Version 2.0, 2013, pp. 29, 46.

Chapter 2 of the committee's interim report details the key legislative and regulatory principles underpinning Australia's biosecurity regime.

24 Department of Agriculture, *Australian Aquatic Veterinary Emergency Plan, Disease Strategy, White spot disease*, Version 2.0, 2013, p. 46.

25 Department of Agriculture and Water Resources, *Submission 9*, p. 43.

26 Dr Len Stephens, *Final Report: Prawn White Spot Disease Response Plan*, Fisheries and Research Development Corporation, March 2017, p. 5.

AQUAVETPLAN are therefore directed at establishing proof of freedom from the disease in Australia.²⁷

1.35 For Australia to declare it has proof of freedom of white spot, in accordance with the OIE, targeted surveillance and testing must be undertaken for at least two years and must show no detection of WSSV. The two years commence from the date of last detection.²⁸

Queensland Government response

1.36 The committee received evidence regarding the response by the Queensland Government to the Logan River WSD outbreak. While the federal Minister for Agriculture and Water Resources, the Hon Barnaby Joyce MP, provided financial assistance to affected prawn farmers, the Department of Agriculture and Water Resources (DAWR) emphasised that the responsibility to respond to pest and disease outbreaks lies with the jurisdiction in which the outbreak occurs.²⁹

1.37 Biosecurity Queensland was first advised of a 'minor mortality event' on the first infected Logan River prawn farm on 22 November 2016. It was assumed that this 'was a further manifestation of virus disease issues which had been affecting the industry', and not white spot.³⁰

1.38 Three days later, on 25 November 2016, officers from the Queensland Department of Agriculture and Fisheries (QDAF) conducted a site visit on the first infected prawn farm, and confirmed that the farm was not discharging water from the affected pond. On 29 November 2016, QDAF formally advised the farm in writing to cease water discharge from the affected prawn pond. QDAF confirmed with the committee that prior to this, there was no direction given to farmers to stop water discharge, as there was no evidence at that point on which to make such a decision.³¹

27 World Organisation for Animal Health, *Aquatic Animal Health Code, Chapter 9.8: Infection with white spot syndrome virus*, 2017; Department of Agriculture, *Australian Aquatic Veterinary Emergency Plan, Disease Strategy, White spot disease*, Version 2.0, 2013, p. 57.

28 Dr Allison Crook and Dr Jim Thompson, Queensland Department of Agriculture and Fisheries, *Committee Hansard*, 27 June 2017, p. 26.

29 Department of Agriculture and Water Resources, response to questions on notice, 28 August 2017 (received 11 September 2017).

30 Dr Elizabeth Woods, Queensland Department of Agriculture and Fisheries, *Committee Hansard*, 27 June 2017, p. 17. The department later clarified that there were bacterial, not viral, diseases of concern in the area; see Dr Allison Crook, Chief Veterinary Officer, Biosecurity Queensland, *Committee Hansard*, 27 June 2017, pp. 19-20.

31 Dr Elizabeth Woods, Queensland Department of Agriculture and Fisheries, *Committee Hansard*, 27 June 2017, pp. 17-18; Dr Jim Thompson, Queensland Department of Agriculture and Fisheries, *Committee Hansard*, 27 June 2017, p. 23; Queensland Department of Agriculture and Fisheries, correction to evidence given at a public hearing on 27 June 2017, received 27 July 2017.

Therefore, it is possible that water discharge from an infected pond into the Logan River continued while diagnostic testing was being completed.

1.39 On 29 November 2016, the farmer at the first infected farm advised QDAF of 'major losses [of prawns] of around 90 per cent in the pond and that two adjacent ponds had also suffered high mortality'.³²

1.40 When test results on 30 November 2016 confirmed the presence of white spot on the farm, the Queensland CVO notified the Australian CVO, as required by cooperative arrangements. The Australian Animal Health Laboratory (AAHL) confirmed the presence of white spot on the farm, on 1 December 2016. Following this:

Emergency powers of inspectors under the Queensland *Biosecurity Act 2014* were activated on that day, 1 December, and on 3 December Queensland's draft response plan was submitted to the AqCCEAD. That committee convened for a second time on 5 December 2016, and at that meeting Queensland's response plan and surveillance plan were endorsed, subject to minor amendments.³³

1.41 WSD was detected in wild prawns in the lower reaches of the Logan River on 7 December 2016, resulting in the imposition of a movement control order over the Logan River area, effective 8 December 2016.³⁴

Surveillance and eradication

1.42 Under the Queensland *Biosecurity Act 2014*, QDAF initiated a Biosecurity Control Program, which commenced on 21 January 2017 and which will continue until 31 December 2017. This Program aims to minimise the risk of WSSV further spreading and establishing, and to eradicate WSSV from the Program area.³⁵

1.43 QDAF advised that as of June 2017, it had progressed from the emergency response, disposal and decontamination phases, into the next stage of attempting to reopen the prawn farms. Dr Jim Thompson of QDAF noted that financial assistance from the Commonwealth would support prawn farmers in remaining closed for another season.³⁶

32 Dr Elizabeth Woods, Queensland Department of Agriculture and Fisheries, *Committee Hansard*, 27 June 2017, p. 18.

33 Dr Elizabeth Woods, Queensland Department of Agriculture and Fisheries, *Committee Hansard*, 27 June 2017, p. 18.

34 Dr Elizabeth Woods, Queensland Department of Agriculture and Fisheries, *Committee Hansard*, 27 June 2017, p. 18.

35 Dr Len Stephens, *Final Report: Prawn White Spot Disease Response Plan*, Fisheries and Research Development Corporation, March 2017, p. 13.

36 Dr Jim Thompson, Queensland Department of Agriculture and Fisheries, *Committee Hansard*, 27 June 2017, p. 22.

1.44 At the end of August 2017, and three months after completing water discharge from the infected farms, QDAF intended to commence a surveillance program in Moreton Bay, in accordance with the AqCCEAD. The surveillance would contribute to proof of freedom surveillance to demonstrate eradication of the disease.³⁷

1.45 In line with the AQUAVETPLAN, reports on the WSD outbreak noted that without eradication, efforts would be required to control and contain the disease, with continued surveillance of WSD in wild prawn populations. To this end, farmers would need to determine whether they continue their operations, implementing biosecurity improvements that would help prevent further WSD outbreaks.³⁸

1.46 Dr Len Stephens argued that the actions taken by QDAF to eradicate the disease were warranted. He argued that taking an eradication approach greatly reduces the likelihood of future WSD outbreaks. Accordingly, importation protocols needed to be reviewed against the best available current science, in conjunction with a low tolerance for future risk. Dr Stephens summarised the impact on the prawn industry, if eradication was not achieved:

If WSD was to take a hold in Australia as it has done in most other countries, the cost of prawn farming would rise substantially due to mortalities caused by the disease and the cost of implementing strong biosecurity measures. In addition, there is the risk that the infection might spread to other species that sustain commercial fisheries, such as crabs, rock lobster, Moreton Bay Bugs and to wildlife. There would also certainly be impacts on Australia's international trade in prawns.³⁹

1.47 DAWR confirmed that during 2017, surveillance at eleven coastal sites in Queensland, and nine in northern NSW, had resulted in 2837 wild caught prawns being tested for WSSV. All prawns, from both Queensland and NSW, tested negative for white spot.⁴⁰

Interim report

1.48 On 22 June 2017, the committee tabled a substantive interim report as part of its ongoing inquiry. The interim report provided an overview of WSD, and the 2016 outbreak of WSD in the Logan River and Moreton Bay areas.

37 Dr Allison Crook, Queensland Department of Agriculture and Fisheries, *Committee Hansard*, 27 June 2017, pp. 25-26.

38 Dr Len Stephens, *Final Report: Prawn White Spot Disease Response Plan*, Fisheries and Research Development Corporation, March 2017, p. 6.

39 Dr Len Stephens, *Final Report: Prawn White Spot Disease Response Plan*, Fisheries and Research Development Corporation, March 2017, pp. 8, 20.

40 Department of Agriculture and Water Resources, answers to questions on notice, 5 September 2017 (answered 18 September 2017).

1.49 The committee considered the importation regime for prawns and prawn products into Australia, including Australia's biosecurity obligations, the import suspension determination implemented following the WSD outbreak, and a number of exemptions made to the suspension determination.

1.50 The interim report detailed investigations undertaken by DAWR into importers suspected of non-compliance with Australia's biosecurity regulations. These investigations revealed a considerable amount of WSD-infected prawn product available for retail sale, and led to the suspension of import permits for a number of importers. The committee's interim report also considered the biosecurity testing regime for WSSV, undertaken prior to the WSD outbreak and as part of the enhanced testing regime after the outbreak.

1.51 At the time of the interim report, the committee held a number of serious concerns about various aspects of the WSD outbreak, and stakeholder responses to it. Key concerns included:

- the timeliness of the response from DAWR, considering the increased detection rate of WSD during 2016;
- the timeliness and consistency of communication from DAWR to stakeholders about the response, and the allocation of resources to the response effort;
- the importation of infected prawn products due to inadequate border biosecurity practices and intentional non-compliance by importers;
- the import suspension determination and the various amendments made to that determination, including recommencement of the import of marinated prawns and prawn product;
- the inconsistencies in the WSSV enhanced testing regime and responses to test results showing an increased prevalence of WSSV in Australia; and
- the overall efficacy of Australia's biosecurity regime in dealing with infected seafood products and disease outbreaks.⁴¹

1.52 Since the interim report, the committee has remained concerned with the efficacy of communication between DAWR and industry. It is also concerned about the recommencement of prawn imports (with the lapsing of the import suspension in July 2017), and with the testing procedures for white spot in Australian laboratories. These and other matters are considered in this report.

41 The committee's interim report can be found here: http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport/Seafoodimportation/Interim_Report

Import conditions

Initial import suspension

1.53 The committee's interim report detailed the conditions and permit requirements of seafood importation. The interim report also detailed the suspension that was implemented from 6 January 2017, on the import of raw prawns and prawn products, and the various amendments made to the suspension order.⁴² The decision to suspend prawn imports was the first use of the import suspension powers in the *Biosecurity Act 2015*.⁴³

1.54 A number of submitters raised concerns about the import suspension, particularly seafood importers whose products were directly impacted by the changed conditions.

1.55 For example, Global Seafood Distributors Australia (GSDA) had imported prawns and had Australian exported and re-imported prawns in transit when the suspension took effect in January 2017. This resulted in large volumes of GSDA's product being held in storage for testing. This caused a 'major cash flow problem and subsequently caused a significant financial burden', and led to dissatisfied customers seeking alternative products.⁴⁴

1.56 GSDA further advised that a significant amount of its imported product was held for extended periods in biosecurity facilities, after the suspension was implemented. GSDA argued that there was a lack of clear and timely communication from DAWR about directions for further testing or action involving the product.⁴⁵

1.57 Mr Alistair Dick of Gold Coast Marine Aquaculture expressed his concerns with the import suspension. Mr Dick argued that 'the actual outbreak of white spot on the Logan was used as a proxy for biosecurity', and that 'once a virus is in Australia, you cannot use that as a decision-making tool' or as a reason to suspend trade.⁴⁶

Enhanced import conditions

1.58 The import suspension lapsed on 6 July 2017. As of 7 July 2017, enhanced import conditions were applied to 'allow for safe trade in prawns and prawn products, to meet Australia's appropriate level of protection (ALOP)'. The enhanced conditions and testing requirements included:

42 Detailed discussion on the import suspension, and the variations to that suspension, can be found in Chapter 3 of the committee's interim report.

43 The Hon Barnaby Joyce MP, Minister for Agriculture and Water Resources, 'Australia suspends raw prawn imports', *Media Release*, 6 January 2017.

44 Global Seafood Distributors Australia Pty Ltd, *Submission 11*, pp. 1-3.

45 Global Seafood Distributors Australia Pty Ltd, *Submission 11*, p. 2.

46 Mr Alistair Dick, Gold Coast Marine Aquaculture, *Committee Hansard*, 27 June 2017, p. 9.

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- consolidating uncooked prawns, marinated prawns and Australian prawns processed overseas (excluding those processed in an Australian government approved supply chain) into one product class ('uncooked prawns') for biosecurity purposes;
 - certification from exporting countries that the prawns have been found free from WSSV and yellowhead virus (YHV), based on sampling and testing methods recognised by the OIE;⁴⁷
 - pre-export sampling and testing after processing, and prior to export to Australia; and
 - 100 per cent seals intact inspection on arrival in Australia and testing for WSSV and YHV at an Australian screening laboratory, prior to release from biosecurity control.⁴⁸

1.59 Additionally, DAWR determined that some import conditions for marinated and overseas processed prawns could be removed, 'because the department considers that the combination of pre-export and on-arrival testing adequately addresses the biosecurity risks'. The removed conditions included:

- overseas competent authorities no longer needing to certify that prawns had been adequately marinated;
- biosecurity officers no longer checking marination as part of on-arrival assessments;
- for those prawns processed in a non-Australian government approved supply chain, the competent authority would no longer be required to certify that the prawns had been processed in a premises it has approved; and
- breaded, battered and crumbed prawns no longer being subject to pre-export or on-arrival testing given their lower biosecurity risk (100 per cent seals intact inspection would remain).⁴⁹

1.60 DAWR advised it would retain these import conditions, pending the outcomes of a review into the importation of prawns and prawn products, announced on

47 A copy of the model export health certificate required to be completed as 7 July 2017 can be found here: https://members.wto.org/crnattachments/2017/SPS/AUS/17_2994_00_e.PDF.

48 Department of Agriculture and Water Resources, *Biosecurity Advice 2017/12: End of prawn suspension and import conditions for prawns and prawn products for human consumption*, 30 June 2017, p. 1.

49 Department of Agriculture and Water Resources, *Biosecurity Advice 2017/12: End of prawn suspension and import conditions for prawns and prawn products for human consumption*, 30 June 2017, p. 2.

16 May 2017. However, if the biosecurity risks changed, the import conditions would be amended to ensure the ALOP was met.⁵⁰

1.61 As of 11 September 2017, a number of competent authorities had provided written confirmation to DAWR that they could meet the enhanced import conditions for prawns, and therefore trade could be resumed. Countries providing confirmation were Bangladesh, Brunei Darussalam, China, Denmark, India, Malaysia, Thailand, and Vietnam.⁵¹

1.62 DAWR had also written to the competent authorities in Argentina, Canada, France, Indonesia, Japan, Mexico, Myanmar, Papua New Guinea, the Philippines, Saudi Arabia, Singapore, Taiwan and the United States to ascertain whether these countries could meet the enhanced import conditions for prawns. As of 11 September 2017, these countries had not provided written confirmation to DAWR of meeting the conditions.⁵²

1.63 DAWR confirmed to the committee that, in the event it was concerned about certifications from exporting countries, it would 'engage in discussions with the competent authority'. DAWR further stated that:

If there was an ongoing pattern of behaviour and we could not have confidence in the certification that a country provided us with then we have the option to prevent them from exporting to us anymore and not accepting [the product].⁵³

1.64 As of 22 August 2017, 10 consignments had been imported under the enhanced import conditions. Seven of these consignments tested negative for WSSV and YHV and were released from biosecurity control, with the testing results pending for the remaining three consignments.⁵⁴

Ceasing the suspension – industry reaction

1.65 Despite the enhanced import conditions that were put in place from 7 July 2017, the lapse of the import suspension raised concerns amongst some industry stakeholders.

50 Department of Agriculture and Water Resources, *Biosecurity Advice 2017/12: End of prawn suspension and import conditions for prawns and prawn products for human consumption*, 30 June 2017, p. 2.

51 Department of Agriculture and Water Resources, answers to questions on notice, 11 September 2017 (received 26 September 2017).

52 Department of Agriculture and Water Resources, answers to questions on notice, 11 September 2017 (received 26 September 2017).

53 Mr Tim Chapman, Department of Agriculture and Water Resources, *Committee Hansard*, 11 September 2017, p. 7.

54 Department of Agriculture and Water Resources, *Submission 9.1*, 24 August 2017, p. 5.

1.66 QDAF noted that the Queensland Minister for Agriculture and Fisheries had raised concerns regarding the cessation of the suspension, as ending the suspension 'did not provide sufficient confidence for an industry that was already having to make difficult decisions about the risks of continuing on'.⁵⁵

1.67 The Australian Prawn Farmers Association (APFA) raised its concerns, noting that:

If DAWR are serious about managing risks associated with the importation of raw prawns they would keep the ban in place until a full and new IRA was performed with consideration given to a range of, false assumptions in the current IRA and altered risk factors in relation to emerging diseases, bait usage and other food safety issues that have now come to light.⁵⁶

1.68 Mr Ian Rossmann of GI Rural prawn farm argued that recommencing the importation of raw imported prawn products was 'purely dangerous', and reduced industry confidence that a white spot outbreak would not occur again.⁵⁷

1.69 A number of submitters told the committee that lifting the import suspension was premature, while highlighting the inconsistency of allowing imports at a time when local product remained tightly controlled.

1.70 Ms Serena Zipf of the Rocky Point Prawn Farm highlighted reports that indicated that white spot eradication was highly unlikely, and yet the importation of raw prawns was able to recommence. Ms Zipf also questioned the efficacy of certification from overseas authorities that imported products were disease-free, stating that this 'screams of outsourcing biosecurity responsibilities'. She noted that the industry did not have confidence that this measure would afford any extra protection.⁵⁸

1.71 Mr Eric Perez of the Queensland Seafood Industry Association (QSIA) stated that the organisation had 'absolutely no confidence in the new testing programs' put in place following the end of the import suspension. Mr Perez questioned why overseas product was entering Australia, while the WSD source remained unknown and locally sourced products remained under movement control orders.⁵⁹

55 Dr Elizabeth Woods, Queensland Department of Agriculture and Fisheries, *Committee Hansard*, 27 June 2017, p. 26.

56 Australian Prawn Farmers Association, Supplementary submission, p. 4 (tabled 27 June 2017).

57 Mr Ian Rossmann, GI Rural, *Committee Hansard*, 27 June 2017, p. 6.

58 Ms Serena Zipf, Rocky Point Prawn Farm, *Committee Hansard*, 27 June 2017, pp. 6-7.

59 Mr Eric Perez, Queensland Seafood Industry Association, *Committee Hansard*, 27 June 2017, p. 30.

1.72 Mr Perez also questioned what the scientific basis may have been for re-commencing imports, given investigations were continuing into 'what went wrong at the border'.⁶⁰

1.73 However, DAWR advised the committee that testing of product in the exporting countries for white spot was a new step in the process. It was argued that this additional testing provided greater assurances that the product being imported was free from WSSV.⁶¹

Report structure

1.74 This chapter provided an overview of the committee's substantive interim report. It has also provided a summary of the WSD outbreak and the Queensland Government response to it. This chapter also examined the enhanced import conditions implemented from 7 July 2017, after the lapsing of the initial January 2017 import suspension.

1.75 Chapter Two examines the impact of the white spot incursion on Australian prawn farmers, the commercial seafood sector and wild catch industries. It also looks at the impact of the disease outbreak on seafood importers and the retail industry. This chapter examines the financial assistance provided to affected industries at both a state and federal level, and the ongoing development of an aquatic Emergency Animal Disease Response Agreement (EADRA).

1.76 Chapter Three examines evidence regarding the five potential disease pathways being considered by DAWR, including the use of imported raw prawns intended for human consumption as bait. It examines claims of biosecurity failures, particularly at the border, and considers developments with genetic testing on the virus to determine its origin.

1.77 In Chapter Four, evidence is considered regarding communication between federal and state jurisdictions, particularly in relation to DAWR's Operation Cattai and the elevated presence of white spot in the retail sector. The chapter presents evidence from industry and stakeholders regarding concerns with Operation Cattai, including how the operation impacted DAWR communication with industry.

1.78 Chapter Five provides background information on the development of the 2009 *Generic Import Risk Analysis Report for Prawns and Prawn Products* (IRA), including the Queensland Government response to the draft IRA. The chapter

60 Mr Eric Perez, Queensland Seafood Industry Association, *Committee Hansard*, 27 June 2017, p. 31.

61 Mr Tim Chapman, Department of Agriculture and Water Resources, *Committee Hansard*, 11 September 2017, p. 8.

Testing for WSSV is discussed further in Chapter 3 of this report.

considers the overall efficacy of the IRA, and provides evidence received by the committee calling for its urgent revision.

1.79 The final chapter outlines progress that has been made since the outbreak. The chapter also presents the committee's overall views and recommendations.

