

I would like to make an opening statement to update the committee on the department's progress with respect to prawns since the last senate estimate hearing in February.

We have continued to assist Queensland with the response, all ponds on all farms will be emptied by the end of this month and the response is nearing completion. About 20 thousand samples from the Logan River area and Moreton Bay have been tested. Eradication of the disease remains the objective. Testing of samples in other prawn farming areas, in northern NSW and elsewhere in Queensland, have not detected the virus.

We have taken action against 6 importers by removing permits and approved arrangements. We have made a referral to the CDPP to pursue charges and further referrals are being considered.

We have withdrawn imported raw prawns from retail outlets and are testing for presence of the virus before releasing them for sale, if not infected, or directing them to be exported or destroyed, if infected.

We have been progressively working through appropriate conditions that might allow resumption of trade and to date have lifted the suspension for a number of classes of product. We announced last week that we will lift the suspension to resume trade in marinated raw prawns with new import conditions. These conditions are that prawns be tested offshore and certified to be free of white spot syndrome virus by the competent authority in the exporting country as well as being subject to testing on arrival.

Last week we also announced the commencement of a review of import conditions that will consider the biosecurity risks for the importation of prawns from all countries and develop appropriate import conditions. This review will identify and categorise hazards of biosecurity concern and include an assessment of new diseases. The announcement of the review has been welcomed by industry.

Since December 2016, the department has been working with the Australian Prawn Farmers Association to deliver support to farmers affected by the outbreak. Unlike most other plant and animal industries, there was not an established agreement or deed for responding to disease outbreaks in aquaculture industries. The Commonwealth, the

states and territories, and aquaculture industries are working on an agreement to provide certainty for these industries in the future. While not having a deed in place posed an obstacle, the assistance being provided to farmers is consistent with other existing response agreements.

On 5 May 2017, the Commonwealth announced additional funding of up to \$20 million. This will cover eradication costs incurred by prawn farmers to-date and costs associated with the remainder of the response period, such as being out of production for the next season. This additional year of no prawn farming on the Logan River will give us the best possible chance of eradicating the disease. During this time testing of prawns and crustaceans in the wild for any traces of white spot disease will continue.

This experience has revealed a number of the shortcomings in our administration and we are addressing these by:

- Updating our instructional material to provide clearer instructions to staff doing inspection and sampling and to remove local practices that developed over time
- ensuring that our staff all have the necessary support to undertake their duties effectively and in a nationally consistent way by better instructions and specialist training
- having our investigators regularly engage with inspection staff on the latest methods used by some importers to circumvent biosecurity controls
- increasing our assurance assessments and verification activities across the system to make sure that, not only are staff correctly following procedures, but that the activities we undertake are effectively managing biosecurity risk and
- being more responsive to emerging biosecurity risk by being clear where risk ownership lies in our organisation noting that biosecurity risks are constantly and rapidly changing and that emerging or changing risk must be quickly identified and proactively managed.

The results of our compliance investigation, known as Operation Cattai, show that the following three factors resulted in infected prawns being available for sale at retail:

- testing methods
- our inspection practices; and
- importer behaviour

On testing methods, the variation in methods used by individual labs contributed to an inconsistent approach to determining infection in prawns. We are working with the labs and NATA to implement a more consistent testing process.

We have looked closely at what our staff did, including:

- analysing the inspection activities associated with over 2000 test results to determine whether there were patterns of behaviour or signs of fraudulent or corrupt activity
- looked at differences in sampling times between locations
- undertook a review of consignments that had previously been released and which were subsequently found to be infected
- working with ACLEI to investigate allegations of fraudulent or corrupt behaviour and review the actions of our staff
- undertaking independent internal reviews of both inspection and assessment processes
- conducted meetings between senior executives and prawn inspection staff to reinforce requirements and review inspection practices

While none of these activities identified fraudulent or corrupt behaviour by staff it did show shortcomings in our administration which I have addressed earlier.

On importer behaviour, there was deliberate circumvention of our biosecurity controls by a number of importers. We took initial action against the first importer of concern last November, before the outbreak occurred, and we have now taken action against 6 importers.

On the cause of the outbreak, the department's investigations to date have not confirmed the cause of the outbreak. We have investigated a number of possible pathways and while it is possible some of these will be better understood with further analysis, the definitive cause may never be known. One continuing line of inquiry is genetic analysis seeking to identify if there is a link between infected prawns found in Australia and overseas strains of white spot disease. This may shed some light on the origins of the outbreak.

The independent review by the Inspector General of Biosecurity is well progressed and will be an important source of analysis. The Senate References Committee inquiry is underway and we provided a submission last month.

Australia adopts a conservative approach to biosecurity and aims to reduce risk to a very low level. However, Australia's borders are not impenetrable—zero risk would require the cessation of all trade and of the international movement of all goods and people. The department can only minimise the risk of pests and diseases entering and establishing in Australia—we do this through critical partnerships with industry, the community and other governments. We manage biosecurity risk every day and we do have a good system—but we will always strive to improve it.

Improvements to the biosecurity system that we are pursuing include:

- Using analytics to improve active management of risk. With funding provided under the White paper we are developing analytics tools and capability to better identify changes in our risk profile
- Enhancing our powers to be able to remove goods directly from the market where there is a potential biosecurity concern
- Improving consistency between laboratories undertaking testing of samples
- Greater emphasis, under the shared responsibility model, on on-farm biosecurity measures to assist in preventing outbreaks of disease.

Finally, the committee has written asking us to answer two questions on:

- The volume of white spot infected prawns; and
- the Department's awareness of the increasing risk during 2016.

I will ask Tim Chapman to address these issues now.