

## The Hon. Tony Burke MP

Minister for Agriculture, Fisheries and Forestry

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Dear Professor Shergold

Thank you for your letter of 23 October 2008 enclosing your report on implementation of the Australian Government's response to the Callinan inquiry into the equine influenza (EI) outbreak in August 2007.

I am pleased that you consider the Department of Agriculture, Fisheries and Forestry's implementation of the response has been timely and of a high standard. I am also pleased that you found the documentation produced by the Australian Quarantine and Inspection Service (AQIS), as well as its project management, to be of good quality, and that the processes it is establishing will help meet the required biosecurity objectives.

The EI outbreak has had serious economic and social effects, and it will be important that AQIS continues to work with local stakeholders and overseas authorities to help maintain the strengthened biosecurity arrangements.

You raised several other issues, including the number of groups involved in either implementing the response or providing advice. At the moment, that number is quite high, reflecting the government's wish to implement its response quickly and effectively. Over time the number of groups will decrease. The Expert Group, for example, is due to complete its work and report by February 2009. I recognise the confusion that this may cause industry stakeholders, so I have asked AQIS to ensure that coordination and communication among all of the groups continues to be a priority.

You also raised the matter of the Inspector General of Horse Importation querying whether the position was justified and suggesting a re-examination of the role in light of broader concerns about inspection and the audit of biosecurity operations. Mr Roger Beale was asked to consider this matter during his review of quarantine and biosecurity. I received his panel's report on 30 September 2008 and I am presently considering its findings. I will release the report, and the government's response, in due course.

In relation to the fees covering horse imports, I note your assessment that current interim fees will not be enough to meet the costs borne by importers.

The Expert Group and Biosecurity Australia are expected to provide advice to AQIS on facilities and operations at the airports and quarantine stations in February 2009. Once this advice has been received, AQIS will, in line with your suggestion, review the fees to assess whether adjustments need to be made ahead of the new cost-recovery budget being finalised in February 2010. The review will incorporate cost modelling to assess the effect of the fee increases and the expected reduction in import numbers in the current economic climate.

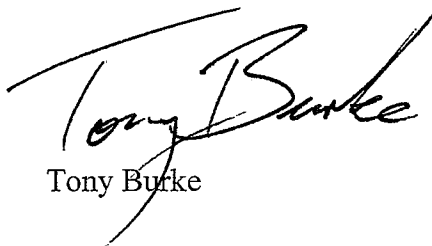
I note your comments about the need to be flexible in implementing some aspects of both pre-export and post-arrival quarantine arrangements, as recommended by Commissioner Callinan, and your support for the decisions AQIS has made in this regard, with advice from Biosecurity Australia and the Expert Group. I agree with this approach.

The government must determine the future of both government and private quarantine stations for horses and other imported animals that require post-arrival quarantine. I agree that this will require consideration of a range of matters, including industry's capacity to operate private facilities. With leases on our government quarantine stations due to expire over the next five years, it is timely to consider the future of these facilities as well. This matter was also raised in the Quarantine and Biosecurity Review.

I am grateful for your detailed report and intend to make it publicly available. I understand you are agreeable to this. Your report has provided the assurances the government has sought that the risk of another EI outbreak is being effectively managed. I expect it will also provide some comfort and assurance to the Australian public, particularly those who suffered during the outbreak.

I would be pleased to meet with you at a mutually convenient time to thank you personally for your report and have asked my office to make arrangements.

Yours sincerely



Tony Burke