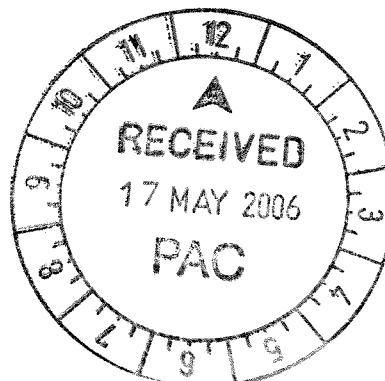


Growing the Business of Farming



16 May 2006

Ms Noreen Hay, MP  
Chair  
Public Accounts Committee  
NSW Legislative Assembly  
Parliament House  
Macquarie Street  
Sydney NSW 2000



By email: [pac@parliament.nsw.gov.au](mailto:pac@parliament.nsw.gov.au)

Dear Ms Hay

The NSW Farmers' Association welcomes the opportunity to provide a submission to the NSW Legislative Assembly Public Accounts Committee Inquiry into Managing Animal and Plant Diseases.

Please do not hesitate to contact me if you require any further information regarding the attached submission.

Yours sincerely

Shaughn Morgan  
**Acting Chief Executive Officer**

**PublicAccountsCommittee PAC - Submission - Managiang Animal and Plant Diseases**

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**From:** "Lucille Dunstan" <dunstanl@nswfarmers.org.au>  
**To:** <pac@parliament.nsw.gov.au>  
**Date:** 17/05/2006 4:00 PM  
**Subject:** Submission - Managiang Animal and Plant Diseases

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To: Ms Noreen Hay, Chair, Public Accounts Committee

Dear Ms Hay

Attached is the Association's submission and covering letter in respect to the NSW Legislative Assembly Public Accounts Committee Inquiry into Managing Animal and Plant Diseases.

The original letter and submission will follow in the post.

Yours sincerely

Lucille Dunstan

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## **NSW Legislative Assembly Public Accounts Committee**

**Inquiry into Managing Animal and Plant Diseases**

**May 2006**

**NSW Farmers' Association  
Level 10, 255 Elizabeth Street  
Sydney NSW 2000**

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### **NSW Farmers' Association Background**

The NSW Farmer's Association (the Association) is Australia's largest State farmer organisation representing the interests of its farmer members – ranging from broad acre, meat, wool and grain producers, to more specialised producers in the horticulture, dairy, egg, pork, oyster and goat industries.

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## **Executive Summary**

The NSW Farmers' Association (the Association) is Australia's largest state farming organisation representing the interests of over 13,000 members throughout the farming community in NSW. Through its commercial, policy and apolitical lobbying activities it provides a powerful and positive link between farmers, the Government and the general public.

Agriculture contributes approximately \$10.2 billion per annum to the NSW economy and it provides employment for over 122 000 people. Accordingly it is imperative that NSW is adequately prepared for a possible animal and or plant disease emergency. It is also very important to have strong disease monitoring processes in place in order to ensure early detection and preventative measures are taken, thus alleviating the possible seriousness of a situation. It should be noted that all animal and plant species are vulnerable to diseases and pests.

In order to ensure this preparation occurs, the Association has highlighted several areas of concern which it believes requires improvement. Due to our broad membership base across both animal and plant industries, the Association is well positioned to make comment upon the important issue of managing animal and plant diseases. This submission provides several examples of areas where the management of animal and plant diseases could be improved.

These areas include disease surveillance and resourcing, animal traceability, animal disposal, regulation of certain practices and the management and funding of new diseases.

Through a coordinated and consultative response to animal and plant disease situations, which involves both industry and Government stakeholders, the Association strongly believes that agriculture and hence NSW will be better prepared to respond to these situations if they arise. Through this approach it is hoped that the impact of such a disease situation will be minimised.

## 1. Disease Surveillance

### 1.1 Disincentives for producer initiated surveillance

The introduction of user pays laboratory testing has shown a decline in laboratory submissions<sup>1</sup>.

The user pay system for veterinary tests such as Bacteriology and Mycology, Genetics, Biochemistry, Haematology, Histopathology, Serology, Toxicology, Post mortem, Parasitology, and Virology was introduced in late 1999 for animals with plant industries following soon after.

Since the introduction of the user pay system, the number of samples submitted for analysis in 2000-01 decreased by 55.4 per cent and 31.3 per cent respectively when compared to 1998-99 and 1999-00. Since the laboratories are required to operate at a profit, sample intakes gradually started to increase from 2001 onwards. However, the Association is of the view that majority of the increase in samples were not for mortality related investigations but rather for live animal testing of imports or exports. Due to a lack of specific data on the types of samples submitted for tests, detailed analysis to show the declining trend in mortality related investigation was not possible.

	Units	1998-99 <sup>a</sup>	1999-00 <sup>a</sup>	2000-01	2002-03	2003-04	2004-05
Samples processed departmental laboratories	No.	780,528	506,537	347,754	351,104	409,637	420,000

Source: NSW Agriculture Annual Report 2004-05, p31

<sup>a</sup> Performance Audit Report NSW Agriculture, Managing Animal Disease Emergencies 2002 ,p41

DPI subsidized Targeted Surveillance Programs for exotic, emerging and notifiable endemic diseases include subsidised mortality investigations in commercial livestock to a total of \$140 provided submitters pay the initial \$80 and any additional charges. Such investigations are those that have declined through both private and government veterinary services.

Anecdotal reports from producers infer that there are few incentives for producers to contact regulatory veterinarians (either Rural Lands Protection Board (RLPB) or Department of Primary Industry (DPI)) because of the cost prohibition to investigation and the fear of quarantine from a diagnosis.

Despite subsidised targeted testing programs the submission rates vary between RLPBs as seen in the NSW Animal Health Surveillance newsletters<sup>2</sup>. For example data from the TSE submission records show large variation of sampling numbers between Boards and SFVO regions compared to the combined abattoir and private vet rates (Table 1). Yass RLPB and most of the Western Division is notable for not having submitted samples for TSE.

The reasons for this great variation in submission rate could be as follows:

<sup>1</sup> NSW Agriculture Annual Report 2004-5

[http://www.dpi.nsw.gov.au/data/assets/pdf\\_file/50948/annual\\_report\\_full.pdf](http://www.dpi.nsw.gov.au/data/assets/pdf_file/50948/annual_report_full.pdf)

<sup>2</sup> NSW Animal Health Surveillance newsletter <http://www.agric.nsw.gov.au/reader/ah-surveillance>

- apathy by some government vets (including RLPB vets) to undertake sampling
- ignorance of the TSE sampling needs by some government vets (including RLPB)
- differing livestock numbers
- failure of producers to contact RLPBs and DPI for advice because of fear of regulation
- failure of producers to agree to on farm visits because of fear of regulation
- failure of producers to agree to testing after on farm visits because of costs

**Table 1 Composite of TSE sampling data by SFVO region from 2003 to late 2005 (excludes Dubbo Region and Western Division)**

SFVO Region	1000's of head	TSE submissions (sheep and cattle)			
		Govt (actuals)	Abb/Priv (actuals)	Govt as % per 1000 hd	Abb/Priv as % per 1000 hd
Goulburn	3980	29	16	1	0
Grafton	4613	155	37	3	1
Gunnedah	3431	109	12	3	0
Maitland	646	22	14	4	2
Orange	8015	17	42	0	1
Wagga	6126	81	175	2	3

**Source:** NSW Animal Health Surveillance newsletter

## 1.2 “Adequate” Resourcing for Managing Diseases

The determination of what is considered the appropriate level of resourcing for disease management when there is no emergency (normal resource commitments), is of great interest to the Association as industry is sensing that normal resource commitments are increasingly user pays (laboratory investigations, OJD surveillance and R&D).

The Association does not believe that a robust disease management capacity (for endemic diseases) can eventuate from a user pays system. This normal resource commitment must not only be of sufficient size (which is currently being assessed by Animal Health Australia) but of sufficient independence from commercial interests and with sufficient expertise in epidemiology to form the sound foundation for any emergency disease response.

The resourcing of disease management through voluntary grower levies is obviously insecure but also is regulating compulsory levies given the democratic political process.

The staffing levels related to Biosecurity do not appear in DPI corporate publications released in 2005/6, the only reference being along Equal Opportunity reporting<sup>1</sup>, therefore there is no ability to assess staff resourcing trends. In 2002 NSW Agriculture claim that there was 73 vets employed as staff who along with RLPB vets can be called upon in the event of an exotic disease emergency. However, the majority of the 73 vets were not involved with day to day field work which is important for early intervention in post border activities.

Prior to 1999 there were 23 qualified veterinary pathologists and five laboratories. Currently, there are three laboratories and only 11 pathologists, most of who will retire in the next 5 to 7 years. There are no programs in place to replace the retiring pathologists.



The Association is also concerned by the decline in agronomists and other plant diagnostic specialists. This has not received the similar profile of the rural veterinary crisis and requires strategies from NSW DPI which reach the school room and university tutorial. Comments from major players in the rural merchandise sector in Australia point to a chronic shortage of qualified agronomists with South Africa, New Zealand and S.E. Asia being used as recruiting grounds in recent years. Without field-based tertiary trained agronomists it is doubtful that growers will pick up new exotic pests and diseases or have any incentive to do so.

The Association has received complaints that the existing agronomists are under resourced. Anecdotal reports have been made that cars are not available for Departmental agronomists to travel to where their advice is being sought. Such a scenario mirrors that derived from phone in radio garden show programs which is totally inappropriate for managing plant health.

### **1.3 *Veterinary Resourcing for the Pig Industry***

The Association acknowledges progress in focusing veterinarians in rural areas through the RLPB secondment for vet students, the support of the Sydney University Masters of Veterinary Public Health Management degree and the participation in the Australian Veterinary Reserve. However the pork industry remains disadvantaged as it requires a specialist veterinary officer to address pig health issues on a frequent basis and to adequately lead the animal health program aspects for the three pig livestock officers in NSW.

The NSW pork industry is significant nationally as there are approximately 200 commercial pork producers in NSW slaughtering over 1.5 million pigs (120,000 tonnes) a year which is the major share (30%) of Australian production. This is worth \$250 Million at the farm gate and with a conservative multiplier produces \$500 Million for the economy of regional NSW. Any threat to this level of production must be avoided.

The level of NSW representation in the Australian industry necessitates experienced animal health staff to meet the NSW Government's funding obligations for in-kind contributions to salaries and wages under AUSVETPLAN. The number of veterinarians employed across the NSW Department of Primary Industries is immaterial if they have no experience in pig health.

The pig industry is concerned about the disease threat from "backyard" production/store feeding in peri-urban areas which is likely to expose the industry to swill feeding<sup>3</sup>, thus expose the store sale (facilities also used by sheep and cattle) and the producer to transmission of disease. It is unlikely that disease would be diagnosed at these "backyard" producers due to cost, cultural and access reasons, this makes having a capacity to diagnose at the commercial premises all the more important to minimise spread of disease.

The market for pig veterinary services is being filled by the private sector. However, discussions with pig specialists in the public service in Victoria and NSW indicate that

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<sup>3</sup> Walsh N, Petersen R, Hart K. 1<sup>st</sup> September 2002 to 1<sup>st</sup> August 2003, Surveillance for emergency disease and associated risk factors in pigs in the Sydney basin. Moss Vale Rural Lands Protection Board & NSW Agriculture.

they are receiving inquiries from the private sector as to tissue sampling and interpretation of results, which indicates that the level of specialisation in the market may be insufficient.

Furthermore, private consultants do not have any incentive to participate in workshops on emerging diseases and biosecurity issues specific to pigs or take official positions on professional pig associations. This minimises the networking of professional ideas and retards the progress in pig health.

Rural Lands Protection Board District Vets are not seen by pig producers as having appropriate expertise and are seen as regulators of animal welfare and disease control, thus they are not utilised.

Lastly there is anecdotal reporting that fear of regulation is penetrating the relationship between private consultant and producer with pressure to withhold sampling and submission of poor doing weaner pigs post the media focus on Post Weaning Multisystemic Wasting Syndrome. Inadequate surveillance poses an enormous threat to protecting Australia from emerging and exotic diseases.

Without provision for specialist pig health resources, the NSW Government is threatening the clean and green image of the entire Australian agricultural economy.

#### **1.4 Ongoing training for Industry Liaison Officers**

One of the outcomes from the Foot and Mouth Disease Simulation (Exercise Minotaur) was an identification of the need for timely information at a local level. As a result both industry and Government identified a significant resource in local producers who are knowledgeable about their region and industry.

It was therefore agreed that Industry Liaison Officer (ILO) training would be provided for industry participants to assist during an emergency animal disease response. The ILO is a key role under AUSVETPLAN (Australian Veterinary Emergency Plan) and in the event of a disease outbreak, ILOs would be called into Local Disease Control Centres to provide a vital link between the response managers, the local community and the livestock industries.

The Association has encouraged members to participate in NSW DPI run training and again in training through Animal Health Australia for accreditation as an ILO. The benefits of this doubling up for those community leaders attending both is that it has refreshed their skills.

Assuming two scenarios, the Association believes keeping skills updated and enthusiasm high amongst accredited ILOs is essential for efficient emergency disease management. The first scenario of no emergencies is obvious, the second scenario of an outbreak having occurred will result in lessons learnt which will need to be communicated to ILOs.

The Association believes that if Animal Health Australia does not initiate such refresher training, the responsibility falls on NSW DPI.

## **2. Tracing Animals**

The NSW Farmers' Association recognises that rapid disease identification and traceability systems provide significant value to the Cattle and Sheep industries.

Much of the value of the National Livestock Identification System (NLIS) is derived due to the reliance these industries have on export markets. Many overseas markets currently purchase Australian product, in part, because of the low disease risk our product presents. Food safety is becoming increasingly important because many of Australia's key trading countries have experienced an incident with food safety. This has resulted in consumers developing a heightened awareness of food safety issues.

NLIS is a food safety management tool to address this market requirement, and protect our industry. The role of the State Government is to assist industry to introduce traceability schemes in a cost effective and technically robust manner and where industry deems necessary underpin these schemes with regulation.

### **2.2 Cattle NLIS**

The Australian cattle industry has in place an individual identification system for all cattle. The program has been implemented over the past 3 years, and it is not experiencing any systemic problems. However anecdotal evidence indicates that teething problems are still frequently occurring. The Association notes the majority of these problems involve human error.

Whilst we note the financial contributions of the State and Federal Government in the implementation of NLIS, the private sector of industry is the primary financial contributor of the NLIS program.

#### **Monitoring is essential**

The role of the State Government in introducing NLIS cattle has been important through its underpinning of the program with regulation. However given this regulatory underpinning the Association is concerned at the current low level of monitoring of NLIS against the Government agreed PIMC standards. The Association believes it is extremely important to review whether the regulatory requirements of the system are being met as well as to review the performance of the system against meeting the PIMC requirements. This is the only way industry can determine whether their financial expenditure on this program (to manage their exposure to disease risk) is appropriate and realising the cost benefit as originally assessed.

### **2.3 Sheep NLIS**

The Government introduced Sheep NLIS at the beginning of 2006. This system differs from the cattle system in two key ways; it is a flock based system (opposed to the individual ID system which is in place for cattle); and it does not have a central data collection mechanism (the cattle system has a national database to record movements electronically).

#### **Monitoring is essential**

Similarly to NLIS Cattle, the State Government has provided the regulatory basis for NLIS Sheep, and whilst only in the initial stages of the scheme, it similarly has not validated via any monitoring process that the regulations are in fact being followed.

The Association believes it is the State Government's responsibility to ensure that the State regulations underpin a NLIS that delivers the level of traceability on which the cost benefit analysis was based, at a cost to producers no greater than that used in the cost benefit analysis. If this is not occurring then the Association calls on the NSW Government to address this deficiency.

### **Robust analysis must underpin biosecurity regulations**

The Association is also concerned that the State Government has not undertaken an analysis of the very contentious NLIS Sheep industry issue, exemptions.

The Association's analysis shows that sheep which are traded direct from their property of birth to an abattoir on an over the hooks basis, pose a much lower bio-security risk than sheep that are traded either privately or via a saleyard. To date there has been no evidence presented to the Association that disputes this analysis.

Furthermore, the Association does not believe it is in the benefit of this industry to distort this low biosecurity – direct to slaughter – trade by regulating that a plastic tag should be applied to these movements. This does not engender people to use selling systems that pose a smaller biosecurity risk.

To this end, the Association has supported a Federal Government funded review to investigate the technical robustness of direct to slaughter exemptions. The Association believes the State Government has a roll in providing technical advice when implementing least cost legislation/regulation to drive improved animal health and disease management outcomes.

The Association does not believe that the primary driver of a disease and/or biosecurity decisions should be political. The Association requests that the State Government underpin industry deliberation with technical and/or factual information to allow industry to make an informed industry decision about the most appropriate on-ground applications to meet industry and government objectives at least cost. This has been a deficiency of the State Government deliberations on NLIS Sheep tagging exemptions.

### **Cost sharing**

Sheep producers are the primary financier of NLIS Sheep. To date, outside of in-kind resources, the Association is unaware of any financial contribution that the State Government has made to support the industries adoption of NLIS Sheep.

The Federal Government has committed \$2.5 million to assist with the planning for NLIS Sheep, however the majority of the costs (\$10 million in NSW), is being paid by producers. The Association would like to see further funds committed by the State Government to drive education of NLIS Sheep and thus facilitate compliance with the system.

Accordingly the Association recommends that:

The State Government should as a matter of importance assess whether:

- the current NLIS Regulations for sheep and cattle are being adhered to;
- the systems (underpinned by regulation) are meeting the PIMC NLIS performance indicators; and
- the costs to all sectors are within the costs structures which were outlined in the cost/benefit analysis originally undertaken by NSW DPI.

### **2.3 Pig NLIS**

The NSW pig industry is only just commencing discussions over an identification system for pigs with the approach to saleyards being the likely contentious issue.

Sales other than direct to slaughter and “boot of car” sales are acknowledged by the cattle and sheep sectors as threats to the integrity of the livestock tracing system. This problem is thought to be compounded in the pig industry by the presence of non English speaking background cultures based in peri-urban areas which grow, kill and prepare pig meat for personal use<sup>3</sup>.

The pig industry fears such sectors will escape the regulation because “owners” cannot be identified. Thus the regulatory costs for the mainstream producers (either selling through saleyards or direct to slaughter) will outweigh the disease control benefits which are compromised by backyard growers.

It is beholden on NSW DPI to ensure that strategies are put in place to:

- raise awareness of pig diseases in the peri-urban community
- raise awareness of the threat backyard growers pose to mainstream pig producers who might be approached by backyarders for sales
- identify backyarders who purchase at saleyards
- keep a list of such backyarders
- target backyarders for education (with culturally sensitive material)
- pursue licensing of all pig keepers
- work towards focusing sales through only nominated, registered, supervised and audited saleyards so that those that engage in high risk trade can be identified and educated

The mainstream pig industry is more than 95% low risk as less than 5% of pigs are estimated to be traded through the saleyards (the remainder direct to slaughter). Thus there is little need for a national database such as with cattle NLIS. However, the integrity of the property identification system married with the swine brand will be threatened if NSW DPI and its affiliated RLPB system mismanage both these registers. The costs of production to industry of managing a national database would rise at a time when the industry is faced with ever increasing subsidised imported pigmeat from US, Canada and Denmark making even more producers unsustainable.

### **3. Animal Disposal**

#### **3.1 *Mass Disposal Sites***

The Association has not received many inquiries from members about development applications for mass disposal sites for animals despite numerous consultations with local and district Emergency Management Committees which include relevant stakeholders.

It can therefore be assumed that rural communities are happy with the consultation process and the sites proposed for various disposal methods.

The Association requests that the involvement of the local communities continue despite any agreement on sites as such agreement can evaporate under the stresses of a real outbreak. Such involvement would be keeping communities aware of both the ongoing need for the sites, the various types of disposal methods and technologies and the risk mitigation measures for environmental, animal welfare and public health concerns.

It is important that DPI have the support of the Association and other stakeholders in the planning stage in the event of a mass disposal emergency to prohibit any delays and enhance disease control.

## **4. Regulation of Swill Feeding**

### **4.1 *Undermining the move to NLIS***

The Association is very concerned about the findings of surveys of feed types offered to pigs in the Sydney basin<sup>3</sup> which revealed that a small proportion of producers feed pig meat products to their pigs (2 pig keepers were identified). Even these two individuals are posing a threat of major diseases such as foot and mouth disease, classical swine fever and post weaning multisystemic wasting syndrome.

The current progress in NLIS for pigs and the established systems for sheep and cattle are potentially undermined by the existence of swill feeding.

The Association considers the regulation of swill feeding has been proven insufficient with a maximum penalty of \$11,000 and the onus on the pig keeper not to feed prohibited substances<sup>4</sup>.

The DPI would be aware of the recommendation by Walsh, Peterson and Hart<sup>3</sup> to expand the reach of "legislation to make it illegal to sell or provide waste food products that carry an exotic disease risk (swill) to pig owners in the knowledge that the products will be fed to pigs." They also suggest that "RLPB field staff, NSW Agriculture Regulatory Officers and Local Government Environmental Health Officers should all be authorised to police this legislation."

The Association believes additional strengthening of regulation can occur through increasing the incentives to have all pig keepers identified. Currently a brand on pigs is required for all pig transactions (either a unique swine brand or a crown brand in special circumstances). Failure to brand a pig being sold or moved to slaughter risks a maximum penalty of up to \$11,000<sup>5</sup>. Neither does this branding cover those that keep pigs without selling or moving them to abattoir. The Association advocates a fine of \$30,000 for keepers of pigs that do not have a registered swine brand regardless of any intention to sell or slaughter pigs at abattoir. This requirement must extend to those that keep pet pigs or mini pigs as they still pose an equivalent disease risk.

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<sup>4</sup> NSW Stock Diseases (General) Regulation 2004

<sup>5</sup> NSW DPI Pig branding in NSW Primfact 116 December 2005.  
[http://www.dpi.nsw.gov.au/data/assets/pdf\\_file/47939/pig\\_branding\\_in\\_nsw\\_-\\_primfact\\_116-final.pdf](http://www.dpi.nsw.gov.au/data/assets/pdf_file/47939/pig_branding_in_nsw_-_primfact_116-final.pdf)

## **5. Ovine Johne's Disease**

### **5.1 *Management of diseases about which little is known***

The difficulty with the OJD program in NSW was the evolving nature of the understanding of the disease and its prevalence which caused a reactive and ad hoc approach to management. Despite the existence of AUSVETPLAN which provides strategy for well understood exotic diseases, the OJD scenario could be repeated in the case of emerging diseases and those about which little is known.

Given that NSW alone may be infected with a disease and there may be little interest from national animal health bodies, NSW DPI requires its own management plan for disease incursions which fit the unknown scenario – new diseases, hard to diagnose known diseases and those where significant assumptions will be made about their impact under Australian conditions.

Part of that management plan will include:

- An internationally and scientifically recognised process by which a disease is defined as an emergency
- An internationally and scientifically recognised process by which the decision is made to control a disease<sup>6</sup>
- Regular and frequent reviews of the operational aspects and financial aspects
- Regular and frequent reviews of the management, advisory and decision making structures and personnel
- An agreed process to assess financial assistance needs and frequent review of findings
- An agreed process to assess any aspects of “user pays” and frequent review of findings

Furthermore, the roles and functions of each stakeholder group (ie: Government, industry, Rural Land Protection Boards) who are involved in the management of a disease must be clearly understood and transparent. A distinction may be required between policy and operational roles.

### **5.2 OJD levy**

#### **Levy Management for the Previous OJD Program**

The Association requests increased transparency and accountability with industry levies; levy collection, and particularly levy expenditure. The financial management of the previous OJD program was and still remains unclear to sheep producers. The financial records of the last two years of the program have not yet been made available to industry, or the Minister's current OJD Industry Advisory Committee. Therefore industry is in the exposed position of paying levies to the State Government and having no avenue to ensure these levies are being managed in accordance with industry's policy.

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<sup>6</sup> Thrusfield, M., 1997, Veterinary epidemiology, 2nd revised reprint  
Blackwell Science, Oxford, UK



The State Government needs to build transparency into the management of industry funds. Industry representatives must have the opportunity to ensure the funds have been expended in an accountable way, consistent with industry agreements.

The requirement for transparency and accountability of funding is re-enforced when industry levies, for the one program, are derived multiple ways from the one producer. Again, the former OJD program is an example of a national program that is funded from the Federal Government's consolidated revenue, the State Government's consolidated revenue or in-kind support, producer levies paid to the Federal government and producer levies paid to the State Government. In this instance, industry needs to be confident, through their own understanding of how funds are expended, that there is no cross subsidisation of their levies. The State's contribution versus the State's industry contribution needs to be apparent.

The Association notes that the national industry bodies and Animal Health Australia have a much greater level of transparency regarding collection and expenditure of industry funds.

The former OJD program, also raised issues of liability for incorrect or delayed advice between industry decision makers and bureaucrats. The previous OJD programs highlighted two areas of concern in this regard:

1. Raising a producer levy under *Agricultural Livestock (Disease Control Funding) Act 1998* provided for the State Government to be able to compulsorily collect the OJD levy if producers did not voluntarily pay the levy. The Government never enacted the compulsion part of the levy. The resulting deficit in funding of \$1.8 million, from that anticipated levy collected was, without consultation, nominated by the State Government as an industry debt.

The Government's refusal to collect monies as per the Act was never communicated to OJD IAC at the outset when they were making funding decisions. Clearly this indicates that a better understanding of Government intent in implementing government legalisation needs to be communicated to the Industry Advisory Groups, to inform their (expenditure) decision making.

2. Advice from the OJD IAC to stop producer grants funding, was provided to the Minister on 1 September 2002 and was not implemented by the Government until 4 November 2002. This 2 month delay accrued an additional \$388,000 in expenditure. Industry does not believe these funds are their liability given their advice to cease funding, however again, the Government appears to have ruled this debt belongs to the industry.

Clearly, this example highlights the exposure industry levy payers have, if Government is not prepared to act on their advice. The Association believes industry needs a higher level of control over industry funds that are collected by Government with industry support, as when funds are collected via the *Agricultural Livestock (Disease Control Funding) Act 1998*.

#### **Levy Arrangement for the New OJD Program**

Since the old OJD program the NSW State Government have amended the *Agricultural Livestock (Disease Control Funding) Act 1998* to include the option of a transaction based levy. This is a positive step that industry had been calling for over a number of years. The Association supported this amendment to the Act, as we believe it is an equitable

way to collect levies from producers who are interested in using the outputs of a state disease control program.

Since the commencement of the new OJD program a number of issues have arisen that the Association would like to see addressed to enhance the future management of state based disease programs and state based levy collection.

1. The State Government must clearly communicate the intent and implication of implementing regulation when asking industry to preside over decisions that include raising state based industry levies. Initially when the NSW Standing Disease Control Advisory Committee discussed a possible program for OJD it was not made clear that their endorsement of a program required the raising of an industry levy.

Therefore the Association's representatives on the OJD IAC were disconcerted when the OJD IAC decision not to raise a levy for the continuation of the OJD risk based trading program was deemed invalid by the NSW DPI and the Minister.

The requirement to raise a state levy based on the Standing Disease Control Advisory Committee recommendation of an industry program was not clearly articulated to the Standing Disease Control Advisory Committee. This lack of communication to industry decision makers on the intent of Government regulations has deepened the tension between Government and industry over state based levies.

2. When negotiating the new transaction based levy mechanism, the State Government explained to the Association that this mechanism would collect transaction contributions from all sellers of sheep. Subsequently, payers of the transaction levy would be entitled to a refund of their levy, however this would mean they would not be eligible for services from the Program.

In this way the program was likened to an insurance fund. Producers could retain their payment in the 'fund' if they wanted the option to access the benefits of being insured in the future. The NSW Government introduced a levy in October 2005 last year, and this levy has not been used to deliver an OJD program to producers.

## Conclusion

This submission has outlined several issues regarding the management and control of animal and plant diseases which in the Association's opinion must be addressed in order to ensure the future health and growth of animal and plant industries in NSW.

There appears to be a lack of incentive for livestock producers to investigate livestock mortalities through laboratory testing. The Association has identified several possible reasons for this situation. The ongoing movement towards a "user pays" structure for the resourcing of animal and plant disease management is of concern to the Association as this could compromise the independence required as well as the ability to respond to a situation in an efficient and effective manner. Industry has clearly demonstrated a willingness to be involved in the management of emergency animal disease responses through participation in Industry Liaison Officer training.

The introduction of livestock traceability systems has provided industries with the ability to undertake sophisticated trace back activities. As these systems are underpinned by State legislation, it is imperative that the systems are continually monitored in order to reflect the practical realities involved with the on-farm application of such technology. Both continual monitoring and equitable cost sharing of the respective systems is also crucial to the success of the systems.

If there was an outbreak of an emergency disease, the mass disposal of animals as per environmental, animal welfare and public health guidelines is very important. Accordingly the Association encourages both the State and Local Government to consult with local communities regarding the location of such mass disposal sites.

The occurrence of unlawful practices such as swill feeding presents a significant disease threat to the livestock industries of NSW. The Association is supportive of increasing the penalties involved with the practice of swill feeding in order to provide a suitable deterrent.

The experiences of managing diseases where there is limited information known about the disease (ie: OJD) has demonstrated the difficulties associated with both the operational and financial aspects of a disease control program. The Association encourages the Government to implement a transparent and accountable process in order to ensure industry support and thus a coordinated response to such diseases.