

CHAPTER THREE

VICTORIA AND NEW SOUTH WALES CONTROL PROGRAMS

The Victorian program

3.1 In December 1996 Victoria introduced its own OJD eradication program. The Victorian program provided compensation to growers who were found to have infected sheep and agreed to slaughter their flocks and to not run sheep on the infected property for a period containing two summers. The Victorian Government backed the scheme through a grant of \$1 million. Funding for the scheme was supplied from a stamp duty on the sale of sheep. As of February 1998 this duty was set at 9 cents per transaction.¹

3.2 The operation of the Victorian scheme was criticised during the inquiry. Dr Kenneth Picken of the Victorian Division of the Australian Veterinary Association claimed:

Victoria has gone off half – cocked. There has been political pressure from certain groups to create a ‘let us get out and do something’ approach.²

3.3 Mr Christopher Commins of Ensay, Victoria told the Committee the current Victorian eradication plan was “... a flat earth policy, a witch hunt, that should be abandoned.”³

3.4 It was alleged the Victorian program was “bad science” because it has an inferior test and “... you really do not know the size of the problem you are dealing with.”⁴

1 *Ovine Johne’s Disease: Evaluation of Control and Eradication Strategies: ABARE Report to the Australian Animal Health Council* (ABARE, Canberra, November 1997), p. 26 and “Uncertainty Hampers Push for National OJD Eradication”, *The Land*, 15 January 1998, p. 2 and *Evidence*, Pastoral Group, Victorian Farmers’ Federation, p. 83.

2 *Evidence*, Australian Veterinary Association, Victorian Division, p. 88.

3.5 Mrs Deborah Shea of the Ararat Branch of the Victorian Farmers' Federation noted that:

Given the current levels of scientific understanding of OJD, we do not believe an eradication scheme such as the Victorian campaign can be successful.⁵

3.6 The President of the Gelantipy Branch of the Victorian Farmers Federation, Mrs Heather Livingstone, believed that the Victorian program had insufficient resources to deal with the OJD emergency properly. According to Mrs Livingstone there had been a lack of counselling, information and support for affected farmers in Victoria.⁶

3.7 The Victorian Ovine Johne's Disease Action Group alleged that there was a lack of consistency and interpretation of regulations under the Victorian program. This led to a situation where some farmers were given options that others were not. According to the Group:

... the Victorian program is encouraging farmers to do the wrong thing. To try to avoid detection and avoid the financial cost as a result of being detected places the whole industry at risk ...⁷

3.8 It was also alleged that the Victorian scheme was "... not a coherent program at all but a series of ad hoc decisions made after hasty consultation with a Committee not equipped with the technical knowledge to make an informed decision."⁸

3.9 The Victorian scheme was also criticised on the grounds of its effect on neighbours. It was argued that under the scheme neighbours of infected properties had

3 *Evidence*, Mr Christopher Commins, p. 167.

4 *Evidence*, Australian Veterinary Association, Victorian Division, p. 88.

5 *Evidence*, Ararat Wool Group, p. 126.

6 *Evidence*, Buchan and Gelantipy Branch of the Victorian Farmers' Federation, p. 154.

7 *Submission*, Victorian Ovine Johne's Disease Action Group, p. 3.

8 *Submission*, Mr Kevin Hartigan, p. 2.

to declare that they were neighbours of OJD infected properties before selling their livestock or land. It was claimed that this:

... had a devastating result on prices received for stock and in some cases prospective buyers have discontinued negotiations on hearing this information.⁹

Issue of consultation

3.10 Dr Picken claimed that there “... has been a lack of consultation with the veterinary profession” concerning the implementation and operation of the Victorian scheme.¹⁰ In its submission to the inquiry this body stated that it “... has been disappointed with the level of (Vic) government consultation with the veterinary profession on this major national issue affecting the rural industry.”¹¹ In its evidence to the Committee, the Division advised that it had no role in the development or implementation of the Victorian eradication scheme.¹²

3.11 Dr David Hucker told the Committee; “In Victoria ... there has been virtually no opportunity for private veterinary practitioners to be involved with Ovine Johne’s disease ...”¹³

3.12 The experience of veterinarians in Victoria was in some contrast with their colleagues in New South Wales. Dr Salmon of the Riverina Rural Lands Protection Board told the Committee:

Almost every veterinary practitioner in our part of the world has been to the Ovine Johne’s disease market assurance program workshop ... on the

9 *Submission*, Australian Veterinary Association, Victorian Division, p. 2.

10 *Evidence*, Australian Veterinary Association, Victorian Division, p. 88.

11 *Submission*, Australian Veterinary Association, Victorian Division, p. 5.

12 *Evidence*, Australian Veterinary Association, Victorian Division, p. 93.

13 *Evidence*, Australian Veterinary Association, Victorian Division, pp. 89-99.

disease ... The profession has certainly been given the opportunity to become aware.¹⁴

3.13 In addition to the Victorian Government the Victorian Farmers Federation attracted criticism concerning the amount and quality of information it supplied its members concerning the Victorian OJD scheme. Mrs Deborah Shea stated that since May 1995 "... our branch has not received any direct information, questionnaire or any invitation to be involved in any discussions from the VFF, other than that which I have undertaken to find out for myself."¹⁵

3.14 Mr Robin Jackson, President of the Hamilton Pastoral District Council, Victorian Farmers Federation, told the Committee that discussions had taken place at the Executive Level between the VFF and the Government concerning the State OJD eradication program but "... there was no consultation that I am aware of with growers in the field."¹⁶

3.15 Mr William Bolitho, Acting Secretary of the Buchan and Gelantipy Branch of the Victorian Farmers Federation insisted that:

It is the view of the branch that there was no consultation whatsoever. No member of this branch knew anything at all about the agreement between the executive of the Pastoral Council of the VFF and the government to enter into an eradication program. We simply knew nothing about it.¹⁷

3.16 The Victorian Farmers Federation in its evidence to the Committee insisted that; "There was consultation with the members."¹⁸ Mr Scott Hansen of the VFF advised:

14 *Evidence*, Riverina Rural Lands Protection Board, p. 402.

15 *Evidence*, Ararat Wool Group, p. 127.

16 *Submission*, Victorian Farmers' Federation, Hamilton Pastoral District Council, p. 110.

17 *Evidence*, Buchan and Gelantipy Branch of the Victorian Farmers' Federation, p.155.

18 *Evidence*, Pastoral Group, Victorian Farmers' Federation, p. 72.

Consultation with all members at any one stage is, of course, very difficult and the time period which we were operating back in 1995-96 in order to establish a controlled program was very limited in that we were trying to achieve agreement to establish a program in such a time as to allow the upcoming summer to be incorporated into the program to alleviate the burden on those affected producers.¹⁹

Criticism of Victorian de-stocking policy

3.17 It was alleged that producers in Victoria with OJD were becoming "... the prey of the abattoirs who appear to be offering OJD affected producers as little as 50 per cent of the commercial price of the sheep ..." despite the abattoirs making "... full commercial use of the OJD infected sheep".²⁰

3.18 The Ararat Wool Group suggested that in Victoria:

... any producer with a positive test is currently being taken to the cleaners by the meat processors. I would suggest there is at least a 50 per cent discount on all sheep from a positive testing flock, if not more.²¹

Claims of inadequate compensation under the Victorian scheme

3.19 The level of compensation paid to farmers in Victoria who have had to de-stock as a result of OJD attracted comment during the inquiry. The following is a selection of critical comments made concerning compensation under the Victorian OJD program:

The compensation payable ... plus the reduced values of the sheep has given the affected producers grossly insufficient funds to provide a living for nearly 2 years ...²²

19 *Evidence*, Pastoral Group, Victorian Farmers' Federation, pp. 72-73.

20 *Submission*, Para-Tech Veterinary Services, p. 2; see also *Evidence*, Australian Veterinary Association of Victoria, p. 102.

21 *Evidence*, Ararat Wool Group, p. 125; see also letter from Dr David A Hucker of Para-Tech Veterinary Services to the Committee dated 1 March 1998.

And;

The amount of compensation agreed by the executive of the VFF with the state government is inadequate by a large order of magnitude.²³

And;

Compensation is inadequate ... it would be difficult to replace ewes of comparable age and quality for less than double the compensation rate. Replacement may be in excess of 10 times the compensation figure.²⁴

And;

... compensation based on \$25 per ewe has proved to be grossly inadequate to allow affected graziers to provide for two years loss of income, the costs of setting up a possibly lower return alternative enterprise at the start of the destocking period and the costs of reverting to the property's original enterprise at the end of the destocking period.²⁵

And;

... the compensation is not right. ... They did not recognise that it was a two year program. It is not enough money. There is no doubt about that.²⁶

3.20 An economic analysis of nine OJD affected properties in Victoria during the summer of 1996/97 implied that producers would lose on average \$29 per head following de-stocking and payment of compensation under the Victorian scheme. There was a variation of losses recorded, ranging between \$47 per head for prime lamb producers and \$22 per head for Merino producers.²⁷

22 *Submission*, Para-Tech Veterinary Services, p. 2.

23 *Evidence*, Buchan and Gelantipy Branch of the Victorian Farmers' Federation, p. 154.

24 *Evidence*, Mr Christopher Commins, p. 167.

25 *Submission*, Australian Veterinary Association, Victorian Division, p. 2.

26 *Evidence*, Mr Evan Newcomen, p. 177.

27 Mr Andrew Patterson, *Financial Impacts of Destocking for Ovine Johne's Disease on Victorian Farms*, Victorian Department of Resources and Environment, April 1998.

3.21 This study was conducted by Mr Andrew Patterson, a farm management economist, with the Victorian Department of Natural Resources and Environment. According to Mr Patterson the survey showed that losses per had tended to be larger as the size and relative importance of sheep on a property increased.²⁸

Recommendation

- **The Victoria Government review the level of compensation paid to growers who were required to destock their properties in 1997 in the light of the economic analysis prepared by Mr Andrew Patterson from the Victorian Department of Natural Resources and Environment.**

Claims of lack of notification under the Victorian scheme

3.22 The Committee was told that a major problem that many farmers faced, particularly in the early stages of the Victorian scheme, was the little notification that they received concerning the commencement of the scheme. It was claimed that in some cases “... people had only a matter of days – if a couple of weeks – from when they were first told the program was to be implemented to have sheep off their property.”²⁹

3.23 A number of stories were told to the Committee detailing the experience of farmers being given short notice to de-stock their properties under the Victorian scheme.³⁰

3.24 The Committee was concerned at the criticisms it heard of the OJD program in Victoria. The Committee had written to the Victorian Minister for Natural Resources, Mr McNamara, at the commencement of the inquiry seeking a submission on the Victorian experience in handling OJD. The Committee did not receive a written submission on the reference from the Victorian Government prior to the start of its hearing program.

28 “Vic. Study Shows \$29/hd OJD Deficit,” *The Land*, 28 May 1998, p. 5.

29 *Evidence*, Victorian Ovine Johne’s Disease Action Group, p. 116.

30 See *Evidence*, Victorian Ovine Johne’s Disease Action Group, pp. 118-119; see also *Evidence*, Australian Veterinary Association, Victorian Division, p. 102.

3.25 Following public hearings in Hamilton and Bairnsdale and informal discussions with officers of the Victorian animal health laboratories, the Committee wrote to the Minister's office drawing his attention to the numerous criticisms of the Victorian Department's approach to state OJD programs, inviting comment from the Minister. The Minister was provided with all submissions to the Committee together with *Hansard* of the Committee's Victorian hearings.

3.26 The Committee informs the Senate it has received no response from the Victorian Government to that invitation. The Committee does not know the reasons for this lack of response, but is disappointed at this apparent lack of interest in the experiences of Victorian primary producers affected by the Victorian OJD program.

The New South Wales program

3.27 In 1996 the NSW Johne's Disease Sheep Industry Steering Committee (JD-SISC) developed a strategic plan titled *NSW Sheep Johne's Disease Strategic 1996-2005* [sic] for the control and eradication of OJD from NSW. This plan had the objective of total eradication of the disease from the State.³¹ The strategic plan was the blueprint for an integrated disease control and eradication program. The plan comprised advisory services, on farm disease management strategies, restrictions on the movement of sheep from infected and suspect properties, disease control zoning, a sheep market assurance program and the provision of financial incentives to encourage the progressive voluntary on farm eradication of OJD. The strategic plan consisted of two stages:

- Stage one, implemented in 1996, aimed at reducing further spread of the disease. This stage included tightening the movement restrictions on sheep from infected and suspect farms and increased the surveillance of the disease pending introduction of Stage two of the plan;

31 *Submission*, NSW Johne's Disease Sheep Industry Steering Committee, p. 3.

- Stage two involved the declaration of disease control zones and progressive voluntary destocking of infected properties.³²

3.28 The NSW Johne's Disease Sheep Industry Steering Committee told the Committee that compulsory de-stocking is not a component of Stage 2 of the NSW plan:

... but clearly must be anticipated in the latter stages of the program, but only after on-farm eradication strategies have proved effective, disease spread has been contained and it is clear that total eradication is only being prevented by the owners of a few remaining infected sheep.³³

3.29 It was expected that less than 10 per cent of all identified infected farmers will have to be compulsorily de-stocked at the end of the program to achieve total eradication in NSW.³⁴

3.30 The Steering Committee advised the Committee that it was still committed to its original proposal for the progressive eradication of Ovine Johne's Disease:

... initially by voluntary eradication with financial incentives ... followed in several years by compulsory destocking of the remaining infected properties after it has been clearly demonstrated that (a) the property disease eradication strategy of destocking over two summers is successful in most cases (b) further spread of the disease has been contained and therefore (c) successful completion of the national program is only being prevented by the owners of the few infected sheep who are unwilling to eradicate the disease voluntarily from their properties.³⁵

32 *Submission*, NSW Johne's Disease Sheep Industry Steering Committee, p. 4; see also *Ovine Johne's Disease: Evaluation of Control and Eradication Strategies: ABARE Report to the Australian Animal Health Council* (ABARE, Canberra, November 1997), p. 9.

33 *Submission*, NSW Johne's Disease Sheep Industry Steering Committee, p. 4.

34 *Submission*, NSW Johne's Disease Sheep Industry Steering Committee, p. 12.

35 *Submission*, NSW Johne's Disease Sheep Industry Steering Committee, p. 12.

3.31 In addition the Market Assurance Program (MAP) put in place in NSW as part of its eradication program an Enhanced Vendor Declaration (EVD) arrangement was developed in New South Wales that involved an annual test of 50 sheep seen to be in poor condition to support the producer's declaration. The Committee was told that NSW provided a subsidy of 50 per cent of laboratory costs for the first 100 000 MAP and EVD tests carried out. This had reduced the cost of the MAP flock test by between \$900 and \$1 200 and reduced the cost of an EVD test by \$150. However, NSW Agriculture pointed out that even with this subsidy "... it is clear that most commercial producers will not find it economic to go into the MAP."³⁶

Criticism of the NSW scheme

3.32 Like the Victorian OJD eradication program the NSW scheme has its critics.

3.33 In its submission to the inquiry the Waverleigh Park Merino Stud stated that:

The current policy on OJD has been pursued by NSW Agriculture and the NSW JDSCIC with apparent complete disregard for the individuals involved and the effect that it has had on their business. This has led to emotional and financial trauma to which no solutions are provided.³⁷

3.34 Mr Terence Hayes of the Southern Tablelands OJD Branch of the Johne's Disease Stockcare Group suggested that:

... there has been total confusion surrounding, and stalling of, properties identified with OJD. ... The total push by New South Wales Agriculture and the New South Wales OJD sheep industry steering committee, with the support of the New South Wales Farmers Association, has been for eradication by total destruction.³⁸

36 *Submission*, the Government of New South Wales, p. 13; see also *Evidence*, Dr David Hucker, p. 139 and *Evidence*, NSW Agriculture, p. 427.

37 *Submission*, Waverleigh Park Merino Stud, p. 6.

38 *Evidence*, Southern Tablelands OJD Branch of the Johne's Disease Stockcare Group, p. 304.