

CHAPTER FOUR

A NATIONAL PROGRAM

In support of a national program

4.1 The Dubbo Ovine Johne's Disease Coordinating Committee informed the Committee that it "... firmly believes that OJD cannot be contained without a national eradication program ..."¹

4.2 The Victorian Farmers' Federation Pastoral Group submitted that:

The Pastoral Group has always supported a national program. Our preferred vision always has been a national program for this disease, as we realise that our job of ensuring that Victoria is kept clean will be very difficult if we do not have our neighbouring states also working towards controlling the disease within their boundaries.²

4.3 The Victorian Division of the Australian Veterinary Association argued that; "Any attempts to control or eradicate this disease must have a National approach to be successful."³

Opposed to a national OJD program

4.4 The Stud Merino Breeders' Association of WA stated that it opposed:

... any compulsory national eradication program at present on the grounds that the extent of OJD has not been accurately determined, that no reliable

1 *Submission*, Dubbo OJD Coordinating Committee, p. 2.

2 *Evidence*, Pastoral Group, Victorian Farmers' Federation, pp. 71-72.

3 *Submission*, Australian Veterinary Association, Victorian Division, p. 1.

test is available and that no clear economic advantage to the industry has been demonstrated.⁴

4.5 The Tasmanian Ovine Johne's Disease Steering Committee considered that:

... it would be premature to initiate a national eradication program for OJD at this time. There is still some doubt as to the prevalence of the disease and associated cost of eradication, there is no agreement on the funding mechanism for program [sic] , and the level of compensation proposed is inadequate to cover the costs of eradication for infected properties on Flinders Island.⁵

Suggestions concerning what should be in a national OJD program

4.6 Several contributors to the inquiry made wide ranging suggestions on what elements should be incorporated into a national OJD program. Among these suggested inclusions were:

- research into the management of OJD;
- progressive voluntary eradication of OJD from infected properties;
- appropriate financial incentives for affected producers to cover costs and losses associated with undertaking on farm disease eradication programs;
- payments from the program not be made to affected producers as compensation for economic loss associated with the impact of the disease on sheep or land values;
- research to establish the extent of OJD in Australia;
- the program to bear the full cost of any testing required to clarify the disease status of suspect properties;

4 *Submission*, The Stud Merino Breeders' Association of WA, p. 1; see also *Submission*, Tasmanian Farmers and Graziers Association, p. 11.

5 *Submission*, Tasmanian Department of Primary Industry and Fisheries, Tasmanian Ovine Johne's Disease Steering Committee, p. 8.

- funding of advisory services for those affected producers who are unable, or unwilling, to eradicate the disease from their properties in the short term;
- active disease tracing;
- introduction of disease control zones. The criteria for declaration of these zones to be based on a national standard and administered identically in all States;
- access to vaccines, including overseas vaccines;
- research into improving current vaccine options; and
- access to a social security net for disease affected producers.⁶

Problems of financing a national OJD program

4.7 In its submission to the inquiry NSW Agriculture explained that allocating responsibility for OJD program funding between the industry and different State governments could be undertaken in a number of ways. However, the Department pointed out that the "... quantification of the benefits which will accrue to individual states may be the most equitable method, this has proved difficult." In December 1997 AAHC advised the Agriculture and Resource Management Council of Australia and New Zealand (ARMCANZ) that it had been unable to reach agreement with all the relevant parties on this basis.⁷

4.8 Hussey and Morris stated in their report that "... States should accept responsibility for resourcing administrative and regulatory control activities that are naturally their responsibility in the circumstances currently prevailing with OJD."⁸

6 *Evidence*, NSW Central Tablelands Rural Lands Protection Board, p. 190; *Evidence*, Central Tablelands Branch, Johne's Disease Stockcare Group, p.280; *Submission*, NSW Johne's Disease Sheep Industry Steering Committee, pp. 3, 24-25.

7 *Submission*, the Government of New South Wales, p. 12.

8 Mr D. Hussey and Dr R. Morris, *Ovine Johne's Disease: A Report to the Hon. John Anderson MP Minister for Primary Industries and Energy Canberra*, 31 January 1998, p. 11.

4.9 The Stud Breeders' Association of WA holds the view that "... the States must be principally responsible for compensating their producers, with a smaller proportion of funds contributed by the federal government."⁹

4.10 In its submission to the inquiry the NSW Farmers' Association set out what it saw as the most appropriate allocation of funding responsibilities in a national eradication scheme, namely:

- principally government responsibility:
 - disease surveillance, administration of regulatory controls, support and extension program for affected producers;
- principally industry responsibility:
 - financial assistance for eradication;
- shared responsibilities:
 - incentives for adoption of the Australian Sheep Johne's Disease Market Assurance Program, increased research and development investment.¹⁰

Early national initiatives

4.11 The Hussey and Morris report noted that there had been two national initiatives undertaken in respect to Ovine Johne's Disease, namely; the creation of the National Standard Definitions and Rules (SD&Rs) and the Australian Sheep Johne's Disease Market Assurance Program. The Veterinary Committee of the Standing Committee on Agriculture and Resource Management (SCARM) had developed SD&Rs for OJD. The National Standard Definitions and Rules set down the minimum standards for State based OJD policies. These rules particularly underpin systems of zoning for disease status and the requirements for the movement of sheep between

9 *Submission*, The Stud Breeders' Association of WA, p. 2.

10 *Submission*, NSW Farmers' Association, p. 15.

zones. According to Hussey and Morris SD&Rs "... are important in ensuring efficient disease response action from a national perspective."¹¹

4.12 In mid-1997 the MAP was finalised and put in place. Governments, industry and SCARM's Veterinary Committee and the Australian Animal Health Council had developed the MAP. The MAP is a voluntary program to identify flocks with a low risk of having the disease. Flocks choosing to enter the MAP meet all the cost of their involvement although NSW has subsidised laboratory testing.¹²

4.13 In detail the role of the MAP in State disease and eradication programs is:

- to provide a source of low risk replacement sheep for those uninfected flocks who want to avoid introducing infection;
- to facilitate the movement of low risk sheep between States;
- to provide a source of sheep suitable for restocking properties that have undertaken an eradication program;
- to allow producers in high disease prevalence areas to demonstrate the disease free status of their flocks so that they can sell sheep as restockers;
- to maintain a reservoir of low risk sheep by the use of management strategies that minimise the risk of introducing disease into MAP flocks; and
- to reduce the risk of Johne's disease being spread at shows and sales.¹³

11 Mr D. Hussey and Dr R. Morris, *Ovine Johne's Disease: A Report to the Hon. John Anderson MP Minister for Primary Industries and Energy Canberra*, 31 January 1998, p. 5.

12 Mr D. Hussey and Dr R. Morris, *Ovine Johne's Disease: A Report to the Hon. John Anderson MP Minister for Primary Industries and Energy Canberra*, 31 January 1998, p. 5. For detailed information see the publication *National Johne's Disease Program: the Australian Sheep Johne's Disease Market Assurance Program: Rules and Guidelines, May 1997* (n.p). May 1997).

13 *National Johne's Disease Program: the Australian Sheep Johne's Disease Market Assurance Program: Rules and Guidelines, May 1997* (n.p). May 1997), p. 2; see also *Submission*, NSW Farmers' Association, p. 9.

4.14 The NSW Johne's Disease Sheep Industry Steering Committee, that had assisted in the development of the MAP, saw it as "... only part of an integrated program to solve the OJD problem, not as a solution in itself".¹⁴ Participation in the scheme was viewed as only likely to be attractive to stud producers.¹⁵ The Committee was told that of February 1998 only eight properties were accredited for the MAP in Victoria.¹⁶

Agreement on a national program

4.15 The key dates in the current development and implementation of a national program to deal with OJD are:

- 27 February 1998, ARMCANZ agreed to proceed with the recommendations set out in the Hussey-Morris report;
- 18 March, AAHC board endorsed the interim surveillance and research program and established a process for developing a business plan;
- April, commencement of the interim surveillance and research program and the establishment of a national OJD committee and working groups to develop a consolidated operating plan to implement a national OJD program;
- 20 May, working groups that report through the National Ovine Johne's Committee to complete their reports;
- 1 June, deadline for the completion of the consolidated operating plan by the National OJD committee;
- 1 July, deadline for the development of an agreed business plan by the AAHC;

14 *Submission*, NSW Johne's Disease Sheep Industry Steering Committee, p. 14.

15 *Submission*, NSW Johne's Disease Sheep Industry Steering Committee, p. 14.

16 *Evidence*, Dr David Hucker, p. 136.

- 31 July, date for the completion of the interim surveillance and research program, and the date for ARMCANZ consideration of the business plan; and
- August 1998, date for the commencement of the national program.¹⁷

4.16 The AAHC become involved in the OJD program shortly after the Council was established in 1996. At that time the Council set up a task group to examine the establishment of a national OJD management control program. In February 1997, ARMCANZ requested the Australian Animal Health Council to expedite arrangements for early implementation of a national control program for Ovine Johne's disease. Previously there had been a national coordinating committee under the auspices of the National Farmers' Federation dealing with the disease. Effective from 1 July 1997, the Australian Animal Health Council agreed to take over responsibility for the national program dealing with all species affected by Johne's disease, not only sheep.¹⁸

4.17 Prior to the ARMCANZ meeting in February this year in Hobart, the Australian Animal Health Council had established a working group to develop a national OJD enhanced surveillance program. A report from that technical group was provided to ARMCANZ before their meeting on 27 February 1998.¹⁹

4.18 Also available to ARMCANZ at that meeting was a report commissioned by the Commonwealth Minister for Primary Industries and Energy, titled *Ovine Johne's Disease: A Report to the Hon. John Anderson MP Minister for Primary Industries and Energy Canberra*. Mr Dennis Hussey, a principle of ACIL agricultural consultancy firm and Dr Roger Morris, a veterinary epidemiologist and animal health economist had prepared this report. In a press release dated 22 December 1997 Mr Anderson stated that he had asked Dr Morris and Mr Hussey to "... make an unequivocal,

17 *Evidence*, ABARE, pp. 503-504; see also *Evidence*, AAHC, p. 437.

18 *Evidence*, AAHC, p. 429.

19 *Evidence*, AAHC, p. 429.

balanced judgment on whether there is a case for an immediate Commonwealth commitment to a national eradication campaign.”²⁰

4.19 The Hussey-Morris report recommended that “... a nationally coordinated program of combative and research action be pursued with Commonwealth involvement.”²¹

4.20 At the 27 February meeting the Commonwealth and State Agriculture Ministers agreed to adopt a national program aimed at eradicating OJD from Australian sheep flocks. The Ministers voted to adopt the recommendations set out in the Hussey-Morris report, namely a nationally coordinated program targeted at eventually eradicating the disease. The program was to be reviewed over six years in the light of improved knowledge of OJD and its treatment.²²

4.21 Mr Paul Crew, Chief Executive Officer with AAHC, in evidence to the inquiry stated:

If we engage in a six-year program, as recommended by Morris and Hussey, and all parties commit to funding and to following that program, I would hope that the objective at the end of it would be reached. The objective would be that we no longer have the Ovine Johne's disease in Australia. I think we have an opportunity to perhaps rid Australia of this disease. It is certainly too early to tell at this stage whether that objective will be reached.²³

4.22 ARMCANZ agreed to request the Australian Animal Health Council to coordinate the planning process and work with stakeholders to develop a detailed agreed business plan for a national OJD program on the basis of “... clearly defined

20 Media release dated 22 December 1997 from the Commonwealth Minister for Primary Industries and Energy, Mr John Anderson, titled “Ovine Johne’s disease: Anderson announces further action,” p. 1.

21 Mr D. Hussey and Dr R. Morris, *Ovine Johne’s Disease: A Report to the Hon. John Anderson MP Minister for Primary Industries and Energy Canberra*, 31 January 1998, p. 7.

22 “‘OK’ for National OJD Plan – But Who Pays,” *The Land*, 5 March 1998, p. 7.

23 *Evidence*, AAHC, p. 433.

roles, responsibilities and resourcing obligations” that were set down in the Hussey-Morris report. The Council has been requested to provide information and a further report to ARMCANZ by 31 July this year.²⁴

4.23 The Committee was told that as a result of the Hobart resolution the work of the AAHC would involve the establishment of a National OJD Committee (NOJDC). Four working groups were to support the Committee, with the task of “... developing appropriate detail of costed operational programs to address the key elements of the Morris-Hussey six-year action plan.”²⁵The details of the planning process for the national OJD control and evaluation program, approved by the AAHC, on 26 March 1998 is set out in Appendix 3 of this report.²⁶The four working groups to be established by the AAHC are to deal with:

- on – farm control strategies evaluation;
- zone/flock assurance;
- surveillance and epidemiology; and
- research and development.

4.24 The February Hobart meeting agreed to request the Australian Animal Health Council to review its proposed enhanced surveillance program for OJD to ensure it complemented the national program, timetable and recommendations in the Hussey-Morris report.

4.25 Mr Crew told the Committee that:

... with those resolutions on board, we now had some quite serious indication from government that it wanted this program to proceed and

24 *Evidence*, AAHC, p. 430.

25 *Evidence*, AAHC, p. 430.

26 This document was incorporated into Hansard on 3 April 1998, see *Evidence*, AAHC, pp 425-428.

indicated that, I think for the first time, it was prepared to provide funds to assist this program to get under way.²⁷

4.26 Following the resolution from ARMCANZ, there was a meeting of the National Johne's Disease Industry Liaison Committee to study the resolution and its impacts for a future program. The Board of the Australian Animal Health Council met on 18 March, again to consider that resolution and to examine advice provided to it by the National Johne's Disease Industry Liaison Committee. Following that meeting, the board made recommendations to Commonwealth and State Ministers through the ARMCANZ Secretariat. The Board resolved to endorse an interim OJD surveillance and research program as a non-core program to cover the period 1 April 1998 to 31 July 1998 with a total budget of \$2.45 million.²⁸

4.27 On 3 April the AAHC incorporated into Hansard, during a public hearing in Canberra, a number of papers setting out how the interim monitoring and surveillance program would work.²⁹

4.28 The National Ovine Johne's Disease Committee will circulate a draft operational plan to the various stakeholders by 1 June 1998. The AAHC will then develop a business plan for the future that is expected to contain all the funding arrangements and recommendations for equitable cost sharing for the national program. The program is expected then to be submitted to ARMCANZ and to industry probably early in July. The plan will be the basis for future action.³⁰

Financing of the interim program

4.29 ARMCANZ at its Hobart meeting decided that, subject to industry agreement:

27 *Evidence*, AAHC, p. 430.

28 *Evidence*, AAHC, p. 430.

29 See *Evidence*, AAHC, pp 442-464.

30 *Evidence*, AAHC, pp. 436-437.

... to match the contributions of governments, the Commonwealth would contribute 20 per cent of total costs and the states would contribute 30 per cent of total costs immediately to the interim national monitoring, surveillance and research program to extend to 31 July 1998 based on the work of the Australian Animal Health Council and the Hussey/Morris report.³¹

Financing of the national program

4.30 The national program was to consist of the following components:

- \$1.3 million was identified as being needed to identify and investigate at-risk flocks by rapidly tracing movements to and from infected properties;
- \$500 000 was allocated for targeted surveillance of identified at-risk flocks, such as those in prospective protected and free zones, including flocks that contain imported sheep;
- \$200 000 was allocated for surveillance at abattoirs;
- \$300 000 was allocated to encourage property owners to enter the market assurance program for sheep;
- \$100 000 was allocated to validate the promising research findings of the pooled faecal culture test; and
- \$50 000 was set aside for a communication program to explain the national program to all producers.³²

4.31 The board of the AAHC has moved to commission a study to provide it with advice on what might be an appropriate cost sharing mechanism for the future funding of a national program. According to AAHC:

31 *Evidence*, AAHC, p. 430.

32 *Evidence*, AAHC, p. 431.

What we are endeavouring to establish here is: who are the beneficiaries of such a program, what is an equitable cost sharing arrangement that we can discuss with our members and, hopefully, reach agreement so that we have consensus in the future for a long-term national program with the funding side of it cleared up and people understanding and agreeing to what their funding contributions may need to be.³³

4.32 The Committee was told that the Hussey and Morris report provided :

... a constructive basis for addressing the difficult and potentially divisive issue of how the program is to be resourced. The approach they propose is based on contributions being determined by benefits generated in terms of industry and areas of responsibility in terms of government rather than cost sharing based on a subjective formula.³⁴

4.33 According to *The Land* newspaper, writing in early March 1998 "... question marks remain about how, and to what extent, the program will be funded ..."³⁵ According to *The Land* under the ARMCANZ agreement the enhanced surveillance and research elements of the program would be financed by the same formula that operated for the Brucellosis and Tuberculosis Eradication Campaign (BTEC) program. Namely, producers picking up half the cost, State governments 30 per cent and the Commonwealth 20 per cent. However, this formula will not necessarily apply to other components of the plan, such as the voluntary de-stocking program.³⁶

Support for the Hussey and Morris national program

4.34 Mr Charles of the Sheep Meat Council of Australia told the Committee that:

33 *Evidence*, AAHC, pp. 431-432.

34 *Evidence*, Department of Primary Industries and Energy and Bureau of Resources Sciences, pp. 502-503.

35 "'OK' for National OJD Plan – But Who Pays," *The Land*, 5 March 1998, p. 7.

36 "'OK' for National OJD Plan – But Who Pays," *The Land*, 5 March 1998, pp. 7, 108.

Hussey and Morris have broken the impasse. They have produced what I think is a very strong, logical framework for a national program to proceed to address the OJD issue.³⁷

4.35 Mr Michael Nicholls of the Wool Council of Australia informed the Committee that:

The Wool Council supports a national program. Whilst it has not formally endorsed Morris and Hussey, all elements of that program are consistent with the Wool Council's policy ...³⁸

4.36 In a media release dated 2 March 1998 the New South Wales Minister for Agriculture, Mr Richard Amery "... welcomed the agreement to proceed with a national Ovine Johne's Disease program." The Minister went on to state; "If we are going to solve the OJD problem it is important that it be tackled on a national scale."³⁹

Role of the Commonwealth Government

4.37 In any national disease control program the role of the Commonwealth Government is crucial since it has primary and direct constitutional responsibility for quarantine and product certification for export. Without Commonwealth involvement and leadership in a national OJD program it would face the likelihood of failure due to the inability of State Government to co-ordinate their activities on a national scale and overcome their own self-interests.⁴⁰

4.38 NSW Agriculture told the Committee:

There is widespread agreement in government and industry that OJD is a national problem affecting all states either now or in the future. Accordingly, a truly national program is required. No state can be expected

37 *Evidence*, Australian Wool Council and Australian Sheepmeat Council, p. 472.

38 *Evidence*, Australian Wool Council and Australian Sheepmeat Council, p. 472; see also *Evidence*, Australian Veterinary Association, p. 413.

39 Media release from the NSW Minister of Agriculture dated 2 March 1998.

40 See *Submission*, the Government of New South Wales, p. 12.

to undertake eradication of the disease in the absence of a commitment to similar control/eradication from other states. ... states cannot be expected to undertake control or eradication in the absence of a commitment from the Commonwealth to maintain an effective quarantine barrier against entry of the disease from other countries in the future. Only a truly national program with commitment from all governments and industry sectors will achieve these objectives in the long term.⁴¹

4.39 Hussey and Morris in their report to the Commonwealth Minister for Primary Industries and Energy argued that the Commonwealth Government had to assume:

... an overarching leadership and co-ordination role to ensure the matter is progressed satisfactorily. ... the disease is now a national issue, and the cooperation and coordination necessary to ensure the most cost-effective national response is implemented has proved elusive without the Commonwealth in this role.⁴²

4.40 The Hussey-Morris report went on to recommend:

... that the Commonwealth provide the leadership and coordination necessary for successfully implementing the proposed approach and contribute to this national program by resourcing functions and activities associated with fulfilling this role.⁴³

4.41 In recommending that the Commonwealth Government be involved in a nationally coordinated program to combat OJD Hussey and Morris stated that Commonwealth involvement should be subject to review after three years in December 2000 and six years in December 2003. The report added that; "Involvement

41 *Submission*, the Government of New South Wales, p. 12.

42 Mr D. Hussey and Dr R. Morris, *Ovine Johne's Disease: A Report to the Hon. John Anderson MP Minister for Primary Industries and Energy Canberra*, 31 January 1998, p. 11.

43 Mr D. Hussey and Dr R. Morris, *Ovine Johne's Disease: A Report to the Hon. John Anderson MP Minister for Primary Industries and Energy Canberra*, 31 January 1998, p. 11

should be contingent upon all parties agreeing on a common approach to the steps to be taken over the six years.”⁴⁴

4.42 The Hussey-Morris report clearly stated that continued Commonwealth involvement in an OJD control program would be based upon an assessment of the program. This assessment, would in part, be based on an epidemiological and economic evaluation “... of the expected benefits and costs of various alternative approaches to future OJD ...” being complete and available.⁴⁵

4.43 According to NSW Agriculture:

Even more critical to the success of any national program is the Commonwealth’s role in collection of statutory levies from industry. The revenue raising capacity of the states in this area is limited by the constitution.⁴⁶

4.44 The Commonwealth Department of Primary Industries and Energy informed the Committee on 3 April 1998 that:

We are committed to working with industry and the state and territory governments to develop a business plan to implement the recommendations of the Hussey and Morris report and envisage that the Commonwealth's long-term contribution will be from within its existing programs and will affect its overall responsibilities on matters such as this.⁴⁷

4.45 The Department went on to state that it saw the AAHC continuing to have a central role in the further developing and managing of the national OJD programs.⁴⁸

44 Mr D. Hussey and Dr R. Morris, *Ovine Johne’s Disease: A Report to the Hon. John Anderson MP Minister for Primary Industries and Energy Canberra*, 31 January 1998, p. 7.

45 Mr D. Hussey and Dr R. Morris, *Ovine Johne’s Disease: A Report to the Hon. John Anderson MP Minister for Primary Industries and Energy Canberra*, 31 January 1998, p. 9.

46 *Submission*, the Government of New South Wales, p. 12.

47 *Evidence*, Department of Primary Industries and Energy and Bureau of Resources Sciences, p. 503.

48 *Evidence*, Department of Primary Industries and Energy and Bureau of Resources Sciences, p. 503.

Committee observations on the proposed national OJD program

4.46 The Committee has taken up-to-date evidence on the current development and implementation of a national OJD program. In paragraph 4.15, the key dates for the development of the national OJD program are provided in detail. The program called for the interim surveillance and research program, and consideration by ARMCANZ of the proposed business plan under the national program by 31 July 1998 and for the commencement of a national program to be in August 1998.

4.47 The Committee wishes to make the following comments on the developing national OJD program.

- The Committee believes the role of the Commonwealth in coordinating and ensuring the timely and effective development of a national program is vital.
- It notes the reluctance of the Commonwealth to take such a role and believes the lack of leadership by the Commonwealth contributed to the dislocated and ineffective outcome of the approach to combating the disease taken in Victoria and New South Wales prior to 1998.
- The Committee notes the approach taken in Victoria appeared to be compulsory in practice if not in theory and has caused severe hardship to many producers who were forced to de-stock.
- The Committee also notes the compensation paid as part of that eradication campaign has been found to be inadequate by a study undertaken by Mr Andrew Patterson from the Victorian department of Natural Resources and Environment.
- That study found the compensation paid to producers resulted in them incurring an average loss of \$29 per head following de-stocking and payment of compensation under the scheme.

- The Committee also notes that many producers in NSW have been severely and permanently affected, both economically and personally, by the direction of the NSW program.

4.48 The Committee believes that a coordinated approach by animal health bodies, government at both Commonwealth and state levels, and industry is the key element in ensuring effective co-ordination and funding of any program.

4.49 The Committee anticipates that it will follow up this interim report with a final report by the end of 1998 to the Senate on the progress that has been made to the development and finalisation of a national OJD program.