

CHAPTER THREE

NATIONAL OJD PROGRAM - ADMINISTRATIVE PROBLEMS

3.1 The Committee notes that while there are vast differences of opinion regarding the most appropriate approach to take in relation to the control of OJD, it was also obvious that there is still considerable support for the National OJD Program. The Committee also notes however, that expressions of support were often tempered by reservations; particularly in regard to the negative impacts the current administrative arrangements are having on producers.

3.2 The Committee was presented with very clear evidence regarding the types of problems producers have been experiencing with the Program, and it is obvious that the administrative arrangements of the NOJDP are causing considerable hardship. A commonly made statement was that while many producers were not necessarily experiencing significant losses as a result of OJD, they were suffering greatly because of the inflexible and restrictive nature of the NODJP.¹

3.3 The following chapter summarises some of the issues of most concern to individual producers and the sheep industry as a whole.

Economic and Social Impact of OJD

Financial Assistance

3.4 The lack of financial assistance for affected producers was consistently raised as the most significant problem producers have with the Program. The fundamental argument put to the Committee throughout the Inquiry was that the future success of the National OJD Program depended on all parties negotiating a meaningful and useful financial assistance package for producers affected by OJD. The Committee acknowledges that the provision of financial assistance is critical to the success of the Program, and the issue is discussed in more detail in Chapter Five.

Economic and Social Costs of OJD

3.5 The Committee was provided with considerable evidence regarding the economic costs of the disease. It is clear to the Committee that the financial losses associated with the disease are significant - both to individual producers and the sheep industry as a whole. The economic consequences of OJD, including the cost of isolating and eliminating the disease, are outlined in Chapter Six.

3.6 The Committee also heard compelling evidence regarding the social impact of the disease. An OJD diagnosis not only has a negative impact on individual producers and their families; it also has a significant impact on owners of neighbouring

1 *Submission 56*, Mr B. Sweeting (Salvation Army Rural Chaplaincy Services), p. 1.

properties, and those living in surrounding communities. The Committee is particularly concerned about the social impact of the disease, and these issues are also discussed in more detail in Chapter Six.

Major Issues of Concern

Administrative Processes

3.7 In addition to major issues such as the financial and social impact of OJD, individual producers and peak bodies also expressed a general lack of confidence in the administrative processes of the NOJDP. Producers were particularly critical of what they described as an overly complicated and inflexible regulatory regime. Restrictions on trade and the lack of a clearly defined pathway through disease control restrictions were cited as particular problems. Concerns were also expressed about the lack of an accurate and effective testing regime - an issue which is discussed in more detail in Chapter Four.

3.8 The difficulties associated with the current quarantine measures, zoning arrangements; and the administration of the Market Assistance Program were also cited as difficulties. Stud breeders were particularly critical of the restrictive nature of the Program, and raised concerns about the loss of genetics which they argue will result from the current control program.

Loss of Genetics

3.9 The Australian Wool Growers Association pointed to the strains that an OJD diagnosis can place on both personal and business relationships, and made it clear that they were not supportive of the current Program. The Association raised particular concerns about the loss of genetic assets and the severe financial hardship being experienced by producers. The Association also indicated it would back calls for "deregulation of the policy of management for OJD".²

3.10 Mr Walter Merriman, a Councillor with the NSW Stud Merino Breeders Association and the owner of a major stud, told the Committee that he had recently completed a second round of testing, which had proved negative. He argued however, that he continues to live with the threat of an OJD diagnosis which would make his \$20 million stud enterprise almost worthless.

3.11 Mr Merriman held the view that it was only a matter of time before his stud showed some incidence of the disease. He told the Committee that under the current regulatory system, if he tested positive for OJD, he would be forced to move his enterprise to New Zealand where there would be keen interest in the genetics of his stock and where he could get some value for his sheep.³

2 *Submission 78*, Australian Wool Growers Association, p. 1.

3 *Evidence*, New South Wales Stud Merino Breeders Association, p. 363.

3.12 The Stud Merino Breeders Association also talked about the cost of preserving genetics. The replication of even an average size stud was described as a completely impractical and incredibly costly exercise. According to the Association, the cost of the procedures necessary to "embryo" a ewe is approximately \$600. It was estimated that if a stud had approximately 5,000 ewes, there would be total cost of \$3 million - a cost that would need to be repeated every year for three or four years to get the age structure back through the flock.⁴

Zoning

3.13 The Wool Council of Australia indicated that one of the positive aspects of zoning was that restricting the trading of sheep across zone boundaries reduced the risk of spreading OJD. It also argued however, that while zoning does provide producers with some sort of regulatory protection it can significantly effect the income of producers in Residual Zones as well as those whose properties have "Infected", "Suspect" or "Under Surveillance" status.⁵

3.14 The Committee heard evidence about there being a lack of resources to police the movement of sheep and there was some speculation about the motivation of those producers who continue to move sheep between zones. One argument put forward was that there is a perception amongst some property owners that the Program is not delivering positive outcomes and, as a result, there were producers who were simply not prepared to commit to control measures such as zoning.⁶

3.15 Western Australia was declared a free zone for OJD in 1999 and has introduced very tight restrictions in relation to sheep sales and sheep movements. As a supporter of zoning, Agriculture Western Australia argued that since zoning was introduced it has:

... stimulated considerable surveillance activity within zones as flock and herd owners recognise the considerable benefit of a higher zone status. Zoning has also initiated the clarification of minimum surveillance requirements as criteria for both declaration and maintenance of zone status.⁷

Market Assurance Program (MAP)

NSW Stud Merino Breeders Association

3.16 Stud breeders were particularly critical of the Market Assurance Program (MAP). In a recent edition of *The Land*, Mr John McLaren, President of the NSW Stud Merino Breeders Association, argued that the current MAP has proven to be far

4 *Evidence*, New South Wales Stud Merino Breeders Association, p. 362.

5 *Submission 43*, Wool Council Australia, pp. 5-6.

6 *Evidence*, NSW Farmers Association, p. 327.

7 *Submission 68*, Agriculture Western Australia, p. 2.

from foolproof. Mr McLaren cited the case of producers, who having gained MN1 status for their flocks, had continued to trade for an extended period of time. According to Mr McLaren, these same flocks had subsequently been re-tested and found to have positive reactors.⁸

3.17 Mr McLaren pointed to the inequities of the testing procedures and argued that some producers who continue to trade unrestricted, could possibly be spreading the disease, while other producers (who have one reactor after testing as many as 2000 sheep) are quarantined indefinitely, without the benefit of compensation.

3.18 Mr McLaren was also critical of the Check Test procedure, and argued that it was "not only discriminatory, but an excuse to create more zoning with more testing in an attempt to justify a flawed program".⁹

Wool Council of Australia

3.19 The Wool Council argued that MAP is a market driven approach which currently provides the best level of assurance to producers that sheep are OJD free. The Council was, however, critical of the fact that producers in Residual Zones trading to Control Zones have been the only ones being provided with flock assurance subsidies; and argued that further initiatives are required to encourage more producer participation in the MAP.

3.20 The Council pointed to figures provided by ABARE which indicate that in NSW alone, approximately 60% of sheep sold are for transfer to other sheep flocks. The Council recommended that:

... all established sheep traders in Residual Zones and Control Zones receive a 100% subsidy for MAP or equivalent testing. We also recommend that given the significant hardship faced by stud producers and the loss of genetic material to the sheep industry that this same funding be extended to studs in both Control and Residual Zones.¹⁰

Department of Agriculture, Fisheries and Forestry

3.21 Dr Bill Scanlan, AFFA's Senior Principal Veterinary Officer, indicated that the Department was keen to see increased trade and movement between affected and suspect properties. Dr Scanlan argued very strongly that it was not possible to provide 100 percent assurance that flocks were OJD free and that was only possible to talk about "levels" of assurance.¹¹

3.22 In evidence, Dr Scanlan stated:

8 *The Land*, Thursday 14 June 2001, p. 12.

9 *The Land*, Thursday 14 June 2001, p. 12.

10 *Submission 43*, Wool Council Australia, p. 6.

11 *Evidence*, Department of Agriculture, Fisheries and Forestry, p. 430.

What people lose sight of in this program is that nobody will give you a certificate to say, 'Your flock is free.' We are dealing with levels of assurance. There are 83,500 producers out there who think they are free and 1,500 that might be suspect or affected or under surveillance. But none of the departments will say, 'Here is a certificate to say your flock is free.' The best the states will do for them in market assurance programs, is if they do a test, say, 'In our view it is 95 per cent probability that the disease is not present in your flock in more than two per cent.'¹²

Agriculture Western Australia

3.23 Agriculture Western Australia indicated strong support for the Sheep Market Assurance Program and argued that it provides an extremely valuable means of reducing the risk of spread of OJD into low prevalence zones.¹³

3.24 In addition to reducing the spread of the disease, Agriculture Western Australia stated that the SheepMap provides greater confidence for the purchase of breeding sheep within Control and Protected Zones. It was also argued that it allows producers to take responsibility for reducing the risk of introducing OJD into their own flocks.

Professor Ann Daniel

3.25 Professor Ann Daniel, a sociologist from the University of NSW, told the Committee that the consequences of an OJD diagnosis were most severe for commercial restockers and argued that "OJD and the regulatory policies its appearance has inspired have dealt a severe blow to Australia's Merino sheep and wool industry."¹⁴

3.26 Professor Daniel also argued that while there are clear incentives for studs to participate in a Market Assurance Plan (MAP) the stakes are very high. Professor Daniel acknowledged that if stud sheep and rams are being sold interstate or across zones it is important to maintain testing. At the same time however, she argued:

.... the drastic threat implicit in current policies (the closure and financial ruin of any stud were a diseased sheep is detected) is mad - a panic reaction to a disease which can be controlled.¹⁵

12 *Evidence*, Department of Agriculture, Fisheries and Forestry, p. 430.

13 *Submission 68*, Agriculture Western Australia, p. 2.

14 *Submission 24*, Professor A. Daniel, p. 1. (Professor Daniel has spent considerable time conducting a study on the impact of OJD - and policies oriented to its control - on farming practices, farming families and farming communities).

15 *Submission 24*, Professor A. Daniel, p. 3.

Communication and Consultation

3.27 It is clear to the Committee that without the cooperation and support of individual producers, any disease control program is going to be severely hampered. The Committee notes with interest, that a Strategic Plan released by NSW peak bodies in 1996, recognised that producer support and was a critical element in the control of a disease like OJD. The Plan also stressed the importance of providing adequate advisory services and communications programs and down-played the role of regulation:

Although some regulation may be necessary, the plan is very much dependant for its success on industry support and the local community approach to animal disease control...¹⁶

3.28 Whilst indicating its general support for the NOJDP, the Wool Council argued that there was a need for better management and co-ordination of the National OJD Program - particularly in relation to communication. In the submission provided to the Committee, the Council argued that:

...the communication of this Program, its objectives and benefits to producers as well as industry and [the] community at large, has been poor to date. Negative media coverage and domination of issues by a small number of parties has not assisted the Program.¹⁷

3.29 The Council did, however, indicate that it had voiced its concerns about communication problems to Animal Health Australia, and it was encouraged by the fact that AHA was taking steps to address the problems.¹⁸

3.30 The Australian Wool Growers Association argued that to be successful, any policy in relation to OJD must have a more commercial focus, and involve full grower consultation. The Association called for greater producer ownership, accountability and direct representation in the ongoing management of OJD policy.¹⁹

Abattoir Surveillance

3.31 The Wool Council of Australia is supportive of the widespread use of abattoir surveillance and argued that it will assist in the process of clarifying details regarding the distribution and prevalence of Ovine Johne's Disease. The Council also suggested that it is a useful tool for mapping the regional distribution of the disease particularly in low prevalence areas.

16 John's Disease Sheep Industry Steering Committee, *NSW Sheep Johne's Disease Strategic Plan, 1996-2005*, August 1996, p. 2.

17 *Submission 43*, Wool Council Australia, p. 4.

18 *Submission 43*, Wool Council Australia, p. 4.

19 *Submission 78*, Australian Wool Growers Association, p. 1.

3.32 The Council also argued that the use of surveillance has been particularly useful in "monitoring those areas where little or no disease has previously been detected", and that it has provided a faster, more cost effective way of determining the distribution of the disease on a national level. The Council sees the continuation of surveillance (and research) as critical to the process of gathering valuable information which will determine the long-term focus for OJD management.²⁰

Tracing Procedures

3.33 The line of evidence presented to the Committee about the effectiveness of trace-forward and trace-back procedures indicated that whilst abattoir surveillance was proving effective, there was also a need for more effective tracing procedures to link a sheep back to the original property.²¹

3.34 Abattoir surveillance was identified by a large number of individual producers and peak industry bodies as a very useful tool for detecting OJD infection. It was argued however, that it should be used in conjunction with other surveillance tools such as assurance testing and PFC testing. The NSW Farmers Association stated, for example:

We do not think it is acceptable that producers be quarantined on the basis of abattoir surveillance, because sheep, as you are probably aware, can pass through a lot of hands before they actually go to a meatworks. They have to trace it back physically to the property in question before they act on it.²²

3.35 Concerns were also raised about the level of resources being provided and it was argued that additional resources were required - particularly in NSW - to provide consistent follow-up for as many traces as possible. It was also argued that an accurate sheep ID system is required, particularly if it is ever going to be possible to detect OJD at the abattoir and declare infection at that point.²³

3.36 NSW Agriculture was strongly supportive of abattoir surveillance, which it argued was providing much needed information about the distribution of the disease. It also argued for a national sheep identification system to assist in the tracing back of lines identified in the abattoirs.²⁴

3.37 The issue of abattoir surveillance was also raised by the Ovine Johne's Disease Stockcare Group. In addition to the problems associated with conducting effective tracing, the Group also argued that there needed to be a balance between

20 *Submission 43*, Wool Council Australia, pp. 5-6.

21 *Evidence*, NSW Farmers Association, p. 324.

22 *Evidence*, NSW Farmers Association, p. 325.

23 *Evidence*, NSW Farmers Association, p. 325.

24 *Evidence*, NSW Agriculture, p. 255.

obtaining more information about the prevalence of OJD and the costs to industry. In evidence, Mr David Hoadley, Secretary of the Group, argued that:

A program to establish what that true level of infection is is going to increase the pain to a lot more people and it is going to increase the total cost to the industry and the country. What we are advocating is that, sure, knowing the true extent of the disease is a vitally important factor but we also have to determine what the capabilities of this country and this industry are in determining the path we go down.²⁵

Inability to Trade

3.38 The Committee heard that one of the major problems facing producers was their inability to trade. The NSW Farmers Association argued that the National Program needed to provide more flexibility, suitable pathways forward and a "light at the end of the tunnel" for affected producers.²⁶

3.39 In evidence, a representative of the Association stated that there had been considerable criticism about the fact that properties were left in limbo once they are deemed to be of "suspect" or "under surveillance" status. The Association argued that trading restrictions and market forces were having a more significant impact on producers than losses due to mortality and loss of productivity, and that more needed to be done to "progress these properties back to a viable trading position as quickly as possible."²⁷

3.40 In evidence, representatives of the Department of Agriculture, Fisheries and Forestry (AFFA) indicated that while the Department was not suggesting "letting the disease go and doing nothing about it", it was keen to see trading options opened up for affected producers.²⁸

3.41 Departmental representatives recognised that the Department's view regarding deregulation was in a lot of ways contrary to the type of evidence the Committee had received from other quarters. It was also acknowledged that moving toward any form of deregulated approach would require broad support across government and industry. It was argued that it would be particularly problematic because the regulations relating to state control programs were not being administered under Commonwealth legislation, and each of the states has adopted a different approach.

3.42 Having acknowledged that there were problems however, the Department reiterated the view that during the next three years of the Program, there should be scope to relax the regulations relating to movement and trading between suspect or affected producers. It was argued that there are now a range of tests which can be

25 *Evidence*, Ovine Johne's Disease Stockcare Group, p. 349.

26 *Evidence*, NSW Farmers Association, p. 322.

27 *Evidence*, NSW Farmers Association, p. 322.

28 *Evidence*, Department of Agriculture, Fisheries and Forestry, p. 430.

done and with the types of check tests and abattoir trace backs which can be conducted, producers have an increased level of assurance. It was further argued that the level of assurance should be able to be quantified and producers should be permitted to trade on that basis.²⁹

3.43 The Ovine Johne's Disease Stockcare Group also argued that it was critical for affected producers to be provided with more opportunities to trade. The Group also argued for the encouragement of on-farm management, "farm status identification" and a market assurance program which allows producers who have tested to a certain level to trade at a similar level.³⁰

Research Funding

3.44 Evidence provided to the Committee indicated that there was considerable concern about the delays in the commencement of important research projects and the delays in committing research and development funding generally.

3.45 Mr Alix Turner, a Member of the Ovine Johne's Disease Advisory Committee and the NSW Farmers Association argued that concerns about research funding were justified - particularly as it was the half-way point of the Program and many producers had been experiencing difficulties for a long time. Mr Turner also argued that to the people of the grassroots, the delays in expending research funds and achieving outcomes were causing particular angst.

3.46 Mr Turner's comments were echoed by another representative of the NSW Farmers Association who added that the approval process for research and development between Meat and Livestock Australia (MLA) and Animal Health Australia, was problematic and there was certainly a need for some streamlining. The Committee was also told that some delay had been caused because of staffing problems at MLA.

3.47 Mrs Leigh Tuck, a representative of the Ovine Johne's Disease Stockcare Group, argued that there was a need for less regulation and the Program's focus should be on on-farm management and increased research. Mrs Tuck recommended funding be provided for research into areas such as farm management practices, the development of more sensitive diagnostic tools and an effective vaccine as well as the epidemiology of the disease and its methods of transmission. Mrs Tuck also argued for money to be spent on developing a management program:

...including available vaccines for producers - which should include education as to the nature of the disease and the mechanisms to evaluate and

29 *Evidence*, Department of Agriculture, Fisheries and Forestry, pp 430-431.

30 *Evidence*, Ovine Johne's Disease Stockcare Group, p. 350.

change management policies; and the education of practice and veterinary practitioners as to the nature of the disease.³¹

3.48 Animal Health Australia indicated that research represented 25% of the total Program budget and that it was a high priority. AHA acknowledged that people were frustrated by the lack of research results, but argued that the lack of results was "partly due to the nature of the organism being a very slow growing and multiplying organism and, hence, a very slow developing disease".³²

3.49 AHA indicated that there had been some difficulties finalising contractual arrangements with Meat and Livestock Australia - the organisation that has been managing the research component of the Program. Some changes had also been made to components of the research and development program following a reduction in the size of the eradication trial.

3.50 AHA also outlined the projects which had been initiated - including the eradication and vaccine studies - and stated that diagnostic tests were also a high priority. The Committee was also told that there has been more of a focus on understanding the disease and its transmission and projects had been initiated accordingly.

Problems Associated with Testing Methods

3.51 The subject of OJD testing regimes is discussed in more detail in Chapter Four. The Committee notes, however, that one of things individual producers reported as being distressing was their perception that testing methods were not reliable and that entire flocks were being "condemned" as OJD infected on the strength of one positive test on an individual sheep.

3.52 A submission provided by Dr Roger Meischke and Mr Arthur Bollom, described the events leading up to the diagnosis of OJD on Mr Bollom's property and the devastation caused by an overnight telephone call, which spelled "the destruction of family enterprises".³³ The submission declared that the diagnosis was based on a false premise and argued that:

There has been an unchallenged assertion that if the bacterium or a part of its genetic material (DNA) is found in one pellet of one sheep, the whole flock has the disease called OJD.³⁴

3.53 The Prowse Report acknowledged that for a variety of reasons, OJD is a very difficult disease to diagnose accurately. Ovine Johne's Disease is very slow

31 *Evidence*, Mrs Leigh Tuck, Advisory Committee, Goulburn Stockcare Group and Ovine Johne's Disease Stockcare Group, pp. 344-345.

32 *Evidence*, Animal Health Australia, p. 397.

33 *Submission 55*, Dr. R. Meischke and Mr A. Bollom, p. 1.

34 *Submission 55*, Dr. R. Meischke and Mr A. Bollom, p. 1.

developing and there is a very close similarity between the bacteria which causes the infection and bacteria which exist in the environment. Other possible influences on the interpretation of test results included:

- the skill and experience of the laboratory technicians;
- the flock infection rate; and
- knowledge of the flock and previous test results.³⁵

3.54 Dr Prowse argued that in some cases, testing for OJD is not being performed in a consistent manner, and that there was a need for clearly defined and easily interpreted criteria to classify a property as infected. Most significantly, the Prowse report also argued that a positive test of any type "is not sufficient to classify a flock as infected, but may be cause for further investigation".³⁶

Conclusions

3.55 The Committee has particular concerns about the problems being experienced by producers as a result of the National OJD Program. As noted above, a number of the administrative arrangements and processes associated with the NOJDP are causing considerable hardship across the sheep industry - but particularly amongst stud breeders.

3.56 The Committee believes very strongly that Departments of Agriculture have been slow to respond to the expressed concerns of producers, and have refused to acknowledge that, without adequate compensation, policies of de-stocking and the trading restrictions placed on infected and suspect properties are particularly cruel.

3.57 The Committee is convinced of the need for improved communication between the administration and the grassroots of the sheep industry in order to increase producer input and confidence in the Program. It is vital to the future success of the NODDP to have a strong commitment from the sheep industry generally, as well as individual producers.

35 Dr Stephen Prowse, CSIRO, *Ovine Johne's Disease. A Scientific review of the current knowledge of Ovine Johne's Disease in Victoria and elsewhere, its impact in Victoria, and an assessment of potential strategies for its eradication and control*, March 2000, pp. 17-18.

36 Dr Stephen Prowse, CSIRO, *Ovine Johne's Disease. A Scientific review of the current knowledge of Ovine Johne's Disease in Victoria and elsewhere, its impact in Victoria, and an assessment of potential strategies for its eradication and control*, March 2000, pp. 17-18.

