

## **CHAPTER SIX**

### **COSTS OF OVINE JOHNE'S DISEASE**

#### **Introduction**

6.1 This chapter considers a number of issues in relation to the economic and social costs of Ovine Johne's Disease. It outlines the economic costs to both individual producers and the sheep industry by examining the cost of isolating and eliminating OJD. The chapter also discusses the social costs of the disease including the impact on individuals, families and communities.

#### **Economic Costs**

6.2 Since the Committee's first report in 1998, a number of reports have been produced estimating the economic costs of OJD. The July 2000 report by Hassall and Associates lists the economic costs incurred with OJD in New South Wales as:

- a) Lost sheep sales (stud and commercial), reduced wool sales, lost semen sales;
- b) Additional management costs (checking, mustering, culling, disposing, etc);
- c) Loss of wool cut per head, additional mortality and lambing percentage loss;
- d) Additional vaccination costs incurred;
- e) Cost of additional sheep purchased to replace losses;
- f) Loss in property value reflecting both current sale price and loss of, say, stud goodwill;
- g) Loss of future genetic improvement potential included in loss of capital value. Loss in capital value including discounts for presence of OJD, loss of stud goodwill and loss of genetic improvement potential;
- h) Attendance at meetings;
- i) Change in wool quality;
- j) Cost of semen storage; and

k) Additional drench costs incurred.<sup>1</sup>

6.3 Estimated economic and social costs on production and individual producers suggest that OJD has had a varying impact on those affected. Hassall and Associates concluded that on average stud producers were the most significantly impacted by OJD; commercial breeders were on average considerably impacted and woolgrowers and prime lamb producers were on average not significantly impacted. The report also noted that these conclusions do not exclude the possibility that some commercial breeders, woolgrowers and prime lamb producers have been significantly impacted by the incidence of OJD and that some stud producers in NSW have experienced minimal impact.<sup>2</sup>

*Production Losses*

6.4 A report to the Victorian Government by Dr Stephen Prowse estimated that if left uncontrolled, the total cost of OJD in Victoria would be \$30 million over a fifty-year period. This estimate was based on an assumption of an average 4% mortality loss. However, the study acknowledged that mortality losses vary between individual properties and can range between 1% and 15%. Based on this assumption, the Prowse report estimated that the production loss cost of OJD to individual producers is in the order of \$35,540 and for a stud property \$197,361.<sup>3</sup>

6.5 For New South Wales, Hassall and Associates have estimated that total costs would:

Range from a current scenario (1,800 cases) of \$58.7 million to \$176.3 million for the expanded scenario (5,400 cases), in a state sheep industry, which has a gross annual production of \$1.2 billion from about 30,500 flocks.<sup>4</sup>

6.6 These estimates reflect the upper limits of economic costs based on expansion of the disease throughout the state.

6.7 In their January 2001 report, the Australian Bureau of Agricultural and Resource Economics (ABARE) stated:

Under plausible assumptions about the mortality impact of ovine johnes disease (OJD) and the rate at which the disease might spread between

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1 Hassall & Associates Pty Ltd, *Financial Impacts and Forms of Assistance for OJD Affected Producers, Volume 1*. July 2000, p. 27.

2 Hassall & Associates Pty Ltd, *Financial Impacts and Forms of Assistance for OJD Affected Producers, Volume 1*. July 2000, p. 43.

3 Dr Stephen Prowse, CSIRO, *Ovine Johnes Disease. A Scientific review of the current knowledge of Ovine Johnes Disease in Victoria and elsewhere, its impact in Victoria, and an assessment of potential strategies for its eradication and control*, March 2000, p. 26, Appendix 4, p. 3.

4 Hassall & Associates Pty Ltd, *Financial Impacts and Forms of Assistance for OJD Affected Producers, Volume 1*. July 2000, p. 5.

properties over time, the total cost of the disease to the sheep industry in the absence of the current control measures could be around \$60 million.<sup>5</sup>

6.8 In relation to individual farm losses, ABARE provides estimates of annual on farm production losses over a thirty-year period under mortality rate assumptions ranging from 1% to 15%. A 1% mortality rate for an affected prime lamb producer in NSW would result in a total loss of \$11,480 per farm on average, over 30 years and \$202,390 per farm over 30 years, for a producer with a 15% mortality rate.<sup>6</sup>

6.9 Future OJD production losses depend on the rate of annual disease spread.<sup>7</sup> The ABARE report estimated potential losses as follows:

In New South Wales, assuming that OJD causes a 1 percentage point increase in adult sheep mortality rates and spreads between sheep flocks at an average annual rate of 1 per cent, the net present value of annual production losses from OJD over the next 30 years is estimated to be \$11 million. Alternatively, assuming OJD causes a 5 percentage point increase in sheep mortality and spreads at an average annual rate of 15 per cent a year over the next 30 years, the net present value of future production losses is estimated to be \$236 million.<sup>8</sup>

6.10 The Prowse report stated:

Based on the recorded spread in NSW and New Zealand the disease could extend to between 6% and 24% of the sheep flocks in NSW. Hence the cost of increased mortality to sheep producers in NSW over a 20 year period would be \$13 million if 6% of sheep flocks infected and \$30 million if 24% of flocks are infected.<sup>9</sup>

6.11 Both Prowse and ABARE have presented cost estimates based on varying scenarios and mortality rates. These estimates can only be calculated with current knowledge about the incidence of OJD and spread of the disease. Actual costs are difficult to accurately quantify due to the insidious nature of the disease and the varying impact on individual producers. Further, studies estimating the economic costs of OJD are difficult to compare as no two studies are conducted in accordance with the same terms of reference and scenarios. This results in significantly different estimates as evidenced between Prowse, ABARE and Hassall and Associates. These estimate variations are summarised in Table 6.1.

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5 ABARE, *Ovine Johne's Disease. Evaluation of control and eradication strategies*, January 2001, p. 1.

6 ABARE, *Ovine Johne's Disease. Evaluation of control and eradication strategies*, January 2001, p. 7.

7 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, p. 26.

8 ABARE, *Ovine Johne's Disease. Evaluation of control and eradication strategies*, January 2001, p. 14.

9 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, p. 26.

*Table 6.1: Estimates of Total<sup>10</sup> State Industry Costs (based on expanded scenarios and upper limits of economic costs)*

<b>State</b>	<b>Prowse (2000) (over 50 years)</b>	<b>Hassall &amp; Associates (2000)</b>	<b>ABARE (2001)</b>
New South Wales	–	\$58.7 to \$176.3 M	\$60 M
Victoria	\$30 M	–	\$60 M

### *Cost of Isolating/Eliminating the Disease*

6.12 OJD is present in every sheep producing country in the world. To date, the disease has not been successfully eradicated by de-stocking or quarantine methods. Many countries have either accepted that OJD is endemic throughout their sheep flocks or adopted control measures such as vaccine to control mortality rates and spread of the disease.

### Eradication by De-stocking

6.13 In terms of future production losses, successful eradication of OJD from the Australian sheep flock would be a major benefit. However, there are significant costs involved should an eradication strategy by de-stocking be adopted. The major cost of this strategy would be the loss in capital value of live sheep compared to their slaughter value.<sup>11</sup> ABARE has provided estimates of the aggregate losses of livestock capital from completely de-stocking all infected and suspect properties in New South Wales and Victoria in the year 2000. For New South Wales, ABARE has calculated these losses at \$66.9 million and for Victoria, \$3.0 million.<sup>12</sup>

6.14 For individual producers, the costs associated with an eradication policy by de-stocking include livestock capital losses and loss of farm income during the de-stocking and decontamination period.<sup>13</sup> Table 6.2 details the total cost of de-stocking for individual producers per farm type and state as calculated by ABARE.

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10 The figures contained in Table 6.1 represent both a total and annualised cost depending on the particular study. The Prowse cost is over a 50 year period. Hassall & Associates provide a broad cost range based on a current scenario of 1,800 cases to an expanded scenario of 5,400 cases. Hassall & Associates qualify their estimate assessment on levels of infection, which may be expected over a 10 year period. ABARE's \$60 million is annualised based on the annual cost to affected properties of \$7.2 million over an 11 year period.

11 ABARE, *Ovine Johne's Disease. Evaluation of control and eradication strategies*, January 2001, p. 17.

12 ABARE, *Ovine Johne's Disease. Evaluation of control and eradication strategies*, January 2001, p. 17

13 ABARE, *Ovine Johne's Disease. Evaluation of control and eradication strategies*, January 2001, p. 9.

Table 6.2: Estimates of De-stocking Costs per Farm Type and State<sup>14</sup>

New South Wales		Victoria	
Farm Type	Total Cost	Farm Type	Total Cost
Wool farms	\$33,700	Wool farms	\$21,700
Prime lamb producers	\$50,200	Prime lamb producers	\$60,800
Stud farms	\$169,200	Stud farms	\$169,200

6.15 ABARE concluded that an eradication policy through de-stocking would only be cost effective if on-farm mortality rates and rate of inter-property disease spread are high.<sup>15</sup> However, the Committee notes that at present there is no clear certainty that de-stocking will fully eradicate OJD.

#### Quarantine

6.16 It is considered that the quarantine and restriction of sheep movements and sales from OJD affected properties may restrict or stop the rate of disease spread. The cost of this strategy impacts on the entire sheep industry, with OJD affected producers receiving lower average prices for their sheep compared to non-affected producers.<sup>16</sup>

6.17 Overall costs on individual farms subjected to quarantining will vary according to the length of quarantine. Table 6.3 details estimated annual quarantine costs by farm type and state as calculated by ABARE.

14 ABARE, *Ovine Johne's Disease. Evaluation of control and eradication strategies*, January 2001, p. 10.

15 ABARE, *Ovine Johne's Disease. Evaluation of control and eradication strategies*, January 2001, p. 1.

16 ABARE, *Ovine Johne's Disease. Evaluation of control and eradication strategies*, January 2001, p. 19.

*Table 6.3: Estimates of Annual Quarantine Costs per Farm Type and State<sup>17</sup>*

New South Wales		Victoria	
Farm Type	Total Cost	Farm Type	Total Cost
Wool farms	\$3,750	Wool farms	\$1,890
Prime lamb producers	\$800	Prime lamb producers	\$960
Stud farms	\$40,080	Stud farms	\$40,080

6.18 With regard to quarantine as a control measure, ABARE concluded that as with eradication, quarantine is only cost effective when on-farm mortality rates and inter property disease spread are high.<sup>18</sup>

6.19 The ABARE report made a number of key findings that are pertinent to the Committee's consideration of the National OJD Program. As discussed above, ABARE estimates that in the absence of current control measure the total cost of OJD to the sheep industry will be an annualised \$60 million in eleven years. ABARE also concluded that:

....control measures for OJD should only be introduced or maintained if they cost less than \$60 million to implement and operate, otherwise the costs of disease control will exceed the maximum potential benefits.<sup>19</sup>

#### *Implications for Studs and Commercial Breeders*

6.20 As stated in paragraph 6.3, stud producers experience the most significant impact from OJD. The economic costs associated with de-stocking and quarantine for studs and commercial breeders far outweigh those for wool and prime lamb producers.<sup>20</sup> For a stud or commercial breeder, an OJD diagnosis or quarantine based on 'suspect' status effectively results in the immediate cessation of their business. The economic losses for stud and commercial farms are devastating. As one stud owner told the Committee:

17 ABARE, *Ovine Johne's Disease. Evaluation of control and eradication strategies*, January 2001, p. 19.

18 ABARE, *Ovine Johne's Disease. Evaluation of control and eradication strategies*, January 2001, p. 24.

19 ABARE, *Ovine Johne's Disease. Evaluation of control and eradication strategies*, January 2001, p. 1.

20 See ABARE, *Ovine Johne's Disease. Evaluation of control and eradication strategies*, January 2001 and Hassall & Associates Pty Ltd, *Financial Impacts and Forms of Assistance for OJD Affected Producers, Volume 1*. July 2000 for detailed information on individual costs.

....Our sheep are all in good condition and we have not lost any sheep with the disease. Yet we have an infected status, which is costing us \$300,000 in direct ram sales and a total loss of income of \$500,000 per year.<sup>21</sup>

6.21 Another implication of OJD that affects stud and commercial breeders is the potential loss of genetics. This is an aspect of OJD that has not been quantified and is a result of the trading restrictions in place under the National OJD Program. Hassall and Associates acknowledge the financial impact that trading restrictions have on stud businesses:

Studs have their wealth locked up in the genetics of their flocks – the advent of OJD in most cases has reduced the value of that genetic property dramatically.<sup>22</sup>

6.22 Loss of genetic bloodlines is difficult to retrieve or re-establish. There is difficulty in replicating age structures, with genetic bloodlines often taking decades to become established. The Committee heard evidence that the stigma attached to OJD makes it difficult for a stud to return to previous trading levels.<sup>23</sup>

#### *Devaluation of Land and Stock*

6.23 The Committee heard evidence that OJD has an economic impact on the value of land and stock. Many farming families use equity in their property to buy other property and to fund retirement. The impact of OJD often forces a reassessment of these plans. Dr James McDonald, district veterinarian for the Yass Rural Lands Protection Board told the Committee:

.... you may be sitting on a property worth \$1 million; it then gets devalued to, say, \$600,000. All of a sudden there is a huge shortfall.<sup>24</sup>

6.24 The Honourable Ian Armstrong MLA, New South Wales state member for Lachlan, informed the Committee that there is broad evidence of estimates of farm land depreciation of up to 40%. This is compounded further for affected producers in quarantine areas with properties being regarded as being almost unsaleable:

... there are farms ranging in size from a few hundred acres up to thirteen and a half thousand acres that have proven to be almost unsaleable over the last 12 months because they come into one of the quarantine areas.<sup>25</sup>

6.25 Of primary concern to affected producers are the financial and stock losses caused by trading restrictions, reduced wool production proceeds and the loss of

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21 *Evidence*, Mr Steven Phillips, p. 512.

22 Hassall & Associates Pty Ltd, *Financial Impacts and Forms of Assistance for OJD Affected Producers, Volume 1*. July 2000, p. 6.

23 *Evidence*, Mr Walter Merriman and Mr Don Pratley, pp. 363-364.

24 *Evidence*, Dr James McDonald, p. 470.

25 *Evidence*, The Hon Ian Armstrong, p. 228.

healthy stock through de-stocking. In one submission, a producer described the financial impact of an OJD diagnosis:

Forced to sell all our young rams, leaving us with only ancient ones with which to breed. This has drastically affected our lambing percentages and wool cut per head. We can no longer afford to purchase top quality rams ... All sheep we sell go at very much reduced prices due to OJD status eg. young ram bought for \$2000, used once and sold for \$12.00.<sup>26</sup>

6.26 Another producer was forced to make significant structural changes to their business enterprise as a result of losing an average of \$200,000 per annum, with the business going from supporting two working families to one.<sup>27</sup>

### *Export Markets and Trade*

6.27 The Australian sheepmeat sector exports heavily to overseas markets. Between 1990 and 1999 a 117% increase in lamb exports brought Australia's total lamb exports to approximately 89,000 tonnes with further growth expected until 2004. Further, approximately 70% of mutton production is exported annually.<sup>28</sup>

6.28 To date sheep exports from Australia have not been affected by the incidence of OJD.<sup>29</sup> However, in their submission, the Sheepmeat Council of Australia stated:

Many markets for both lamb and mutton but particularly the food safety conscious European, Japanese and US markets are increasingly demanding assurances about the integrity of Australian sheepmeat products. Any diminution of our capacity to ensure the wholesomeness of our product, as a result of disease or residues puts at risk the long term access to markets and potentially the sheepmeat sector's viability.<sup>30</sup>

6.29 During the Committee's hearing on 13 October 2000 in Canberra, the Sheepmeat Council acknowledged that there is currently no evidence suggesting that the presence of OJD has impacted on the international live export trade and that no market has a trade barrier resulting from OJD infection. The Council further stated:

I guess we are looking at a proactive stance in relation to Australia's disease-free status. Those comments relate to the fact that those countries are very sensitive in respect of food safety and we believe, in the longer term, that the marketing of Australian product into those and other markets would be enhanced if we can manage this disease appropriately.<sup>31</sup>

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26 *Submission 46*, Mrs J.L. Limon, p.2.

27 *Submission 66*, M and B Clancy, p.3.

28 *Submission 35*, Sheepmeat Council of Australia, p. 2.

29 *Submission 80*, Department of Agriculture, Fisheries and Forestry, p. 4.

30 *Submission 35*, Sheepmeat Council of Australia, p. 3.

31 *Evidence*, Mr Klein, Sheepmeat Council of Australia, pp 332 and 334.



6.30 Dr Prowse made the following comments in relation to both the domestic and international export trades:

There is considerable trade in sheep between Australian states. WA imports around 4,000 sheep a year from the eastern states. Sheep from Victoria are exported to SA, WA and NSW. Should ovine Johne's disease not be controlled in Victoria, it is likely this trade will be restricted. WA already requires flock testing to market assurance program level prior to importing sheep from Victoria. SA has made moves in this direction.

It appears unlikely that ovine Johne's disease will have an impact on sheep meat exports although the export of live sheep could theoretically be affected. The live sheep trade contributed \$214 million to Australia's export income in 1995/96. Most of these sheep come from WA.

Importing countries require animals to be free of ovine Johne's disease and to be sourced from properties or zones free of disease. Given the prevalence of the disease in other countries it seems unlikely that ovine Johne's disease will result in the loss of this market at the national level.

At the regional level however, infected properties and regions containing infected properties may be unable to access this market. In 1995/96, 636,000 live sheep were exported from Victoria.<sup>32</sup>

6.31 There appears to be some industry concerns that international export markets may be compromised by the incidence of OJD infection. However, no empirical evidence currently exists to support this concern. Further, the prevalence of OJD in other countries tends to support the Committee's view that Australia's current disease status in overseas markets does not now, and is unlikely in the future, to impact on international trade.

#### *Criticisms of the ABARE Report by NSW Agriculture*

6.32 The Committee notes criticism of the ABARE report used extensively in this chapter, entitled, *Ovine Johne's disease: Evaluation of control and eradication strategies* by the NSW Minister for Agriculture and Minister for Land and Water Conservation, Mr Richard Amery MP. Mr Amery has drawn to the Committee's attention, NSW Agriculture's view that the ABARE report contains "a number of serious methodological flaws that led the authors to draw unreliable conclusions about the benefit-cost of a number of OJD control and eradication strategies".

6.33 The Committee considered these concerns and wrote to ABARE on 4 April 2001, seeking a response to the criticisms. At the time of publication of this report, the Committee has received advice from ABARE responding to the matters raised by Mr

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32 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, p. 28.

Amery's letter. (This response has been forwarded to Mr Amery for consideration and the correspondence is published with the Committee's report).

### **Social Costs**

6.34 The Committee's first report into the incidence of OJD described the devastating financial, social and psychological impact that OJD had, not only on sheep producers themselves, but also on the rural communities in which they lived. The social costs associated with OJD remains an issue of major concern in evidence and submissions. Affected sheep producers continue to experience severe financial and social hardship.

#### *Impact on Individuals and Families*

6.35 The Committee heard in evidence the effect an OJD diagnosis had on individuals and their families. Professor Ann Daniel stated:

The farmers affected have reacted to discovery of the disease on their property with depression, anger and, very importantly, a deterioration in family relationships and in family management practices.<sup>33</sup>

6.36 Other evidence and submissions indicated that the emotional and social impact on individuals and families was often manifested in ill health, family breakdown and in some cases, domestic violence.

#### Compensation Issues

6.37 The Committee observed that the lack of adequate compensation for affected producers added to the impact on individuals and their families. As a result of the trading restrictions imposed by the National OJD Program and producers' decisions to destock properties without any recompense, most affected producers experienced a reduction in income and in many cases, financial difficulty. In some instances, this has impacted severely on families. Producers' wives have had to seek outside employment, families have been forced to survive on Austudy payments, and in some cases children have had to leave private schooling altogether.<sup>34</sup>

6.38 As one producer stated:

At a personal level other costs of OJD on my property have included approximately \$180,000, contributing to my recent divorce, family pressures and a spate of depression which was treated with medication. Most of these problems stemmed from financial pressure due to the lack of adequate compensation at the time of destocking.<sup>35</sup>

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33 *Evidence*, Professor Ann Daniel, p. 293.

34 *Submission 51*, Johne's Disease Stockcare Group, p. 34.

35 *Submission 36*, Mr Robert Crawford, p. 1.

## Personalisation of OJD

6.39 For many sheep producers, the confirmation that their sheep have been diagnosed with OJD is deeply personal. Sheep producers take great pride in the production of fine wool and breeding of their flocks. Many sheep producers farm on land that has been owned by their family for several generations and their self-identity is closely connected to this and the quality of their stock and produce.

6.40 Mrs Rosanne Tobin informed the Committee that:

When I get the phone call from people whose sheep have just been diagnosed with OJD, they say, 'I have just been diagnosed with OJD'. They never say the sheep have been diagnosed with it.<sup>36</sup>

6.41 This is compounded for those sheep producers who experience high mortality rates due to OJD. As one producer described it:

To truly understand our position you have to picture the daily ritual of moving sheep with an increasing 'tail' on the mob. Seeing dead sheep scattered in magnificent pastures, pull light sheep out that you can pick up with one hand and look at the remaining healthy sheep – fat, woolly and contented. Then to have that same mob back in only a short period of time later to do the same thing all over again. Disposing of these ever increasing 'tail' is also an ordeal that few could understand the heartbreak unless they experienced the tragedy first hand.<sup>37</sup>

## Future Prospects

6.42 One theme to emerge from submissions and evidence was the ongoing uncertainty for affected producers, not only for the future viability of their enterprise as sheep producers, but also for their families' future prospects. As discussed, OJD has had a significant impact on children's educational prospects as affected families experience severe financial difficulties. The Committee also heard evidence of impacts on those producers approaching retirement where many cannot afford to retire because of the devaluation of affected properties.<sup>38</sup>

6.43 A former rural counsellor on Kangaroo Island, Mrs Jeanette Gellard, informed the Committee that during the early stages of OJD diagnosis, affected producers were not sure how it would impact upon them, their business, family or community:

There was a lot of uncertainty and for a lot of families there was quite a significant grieving process .... the way they ran their businesses was changed significantly and they had no control over that. They lost the

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36 *Evidence*, Mrs Rosanne Tobin, p. 152.

37 *Submission 66*, M&B Clancy, p. 7.

38 *Evidence*, Mrs Patricia Hallam, p. 302.

futures that they had envisioned and were not able, in those early stages, to see how their futures would then pan out.<sup>39</sup>

6.44 The uncertainty associated with OJD prevents those affected from improving their business prospects and moving forward with their lives. As an affected producer, Mrs Wendy Slattery told the Committee:

Every year we have improved our farm, our stock, our livestock. Since we have had OJD, we cannot do that because we do not know if this September, next September or the September after we are going to get a phone call, which says, 'We are going to de-stock you'. Therefore, we cannot buy the quality of sheep we had and we cannot put in the money that we would put into improvements on our farm.<sup>40</sup>

6.45 Added to the level of uncertainty for producers who de-stock is the confusion over the available options for alternative industries during the two summers de-stocking period. As Mrs Catherine Clark told the Committee:

It really did rock us, because you have to suss out an alternative industry. You have to do something; you cannot just sit there for the next two years with an empty property. Our biggest decision was: 'Which way are we going to head?'<sup>41</sup>

### *Impact on Communities*

#### Stigma

6.46 Although there has been progress in understanding the effects of OJD by producers and rural communities since the first inquiry, the stigma attached to the disease continues to be a significant issue for those affected. Professor Ann Daniel informed the Committee that incidents of depression experienced by affected producers was largely due to "the stigma that invariably follows the placing in, firstly, initial quarantine and then public quarantine of their flocks".<sup>42</sup>

6.47 The stigma attached to an OJD diagnosis contributes directly to a loss of self-respect and sense of isolation.<sup>43</sup>

6.48 A sense of stigma is not just confined to producers with a positive OJD diagnosis. Neighbouring properties and properties identified in either a 'trace forward or trace back' are given 'Suspect' status until testing can confirm a positive or negative OJD result. For those producers whose 'Suspect' status is not cleared, public quarantine results, even if OJD cannot be positively identified.

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39 *Evidence*, Mrs Jeanette Gellard, p. 70-71.

40 *Evidence*, Mrs Wendy Slattery, p. 19.

41 *Evidence*, Mrs Catherine Clark, p. 144.

42 *Evidence*, Professor Ann Daniel, p. 293.

43 *Submission 24*, Professor Ann Daniel, p. 3.

6.49 For those producers whose sheep are diagnosed with OJD, the stigma associated with diagnosis compounds the perceived isolation. This effect appears to be more acute in communities where the threat of OJD is recent and where there is an absence of support groups or formal support structures. As one producer says:

We have done nothing wrong – we don't know where we got the disease from. We are quarantined. Nobody has come near us to see how we (my wife and I) or our younger members of family are coping (a married son, daughter-in-law and 2 small children) emotionally. We just have to struggle on...<sup>44</sup>

6.50 Another stated to the Committee:

The stigma of it is unbelievable. You have got no idea until you come up with this. A lot of people give you sympathy; a lot of people treat you like a leper. The children at school get called names.<sup>45</sup>

6.51 Referring to the progress of OJD in Victoria, Mr Frank Tobin, Chairman of the Victorian OJD Action Group informed the Committee:

... it starts off usually in relatively small numbers in an area, so the first people that are identified in an area become the focus of introducing the disease into that area... They looked and felt within their own communities that the communities were turning on them and blaming them for the introduction of the disease into their area.<sup>46</sup>

### Relationships with Neighbours

6.52 Another aspect of OJD diagnosis is the great sense of responsibility that affected producers feel toward their neighbours. Of initial concern is the need to ensure that OJD does not spread from an infected property to neighbouring properties. Often affected producers are prompted to destock only for their neighbour to test positive for the disease at a later date.

6.53 As the chair of the Victorian OJD Action Group, Mr Frank Tobin informed the Committee that "a lot of farmers falsely assumed that they needed to do the right thing by their neighbours to de-stock" ...."people made decisions about de-stocking, about the likely infection of their neighbours, and they assumed they were clean when they were already infected".<sup>47</sup>

6.54 In some instances, OJD has resulted in a breakdown or straining in the relationship between neighbours. This was more evident during the early stages of the

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44 *Submission 41*, Mr Greg White, p. 1.

45 *Evidence*, Mr Graham Privett, p. 479.

46 *Evidence*, Mr Frank Tobin, p. 114.

47 *Evidence*, Mr Frank Tobin, p. 115.

National OJD Program and particularly in relation to the first properties diagnosed in areas previously not exposed to OJD. Mr Tobin told the Committee that:

There is evidence in Victoria where farmers and their neighbours have had good working relationships for generations but have had a falling out over OJD.<sup>48</sup>

### Division on Strategy Direction

6.55 Community division often exists in determining the best strategy to deal with OJD in a region. The Committee noted that there were differing views on how best to manage OJD. This was particularly apparent during hearings when discussing whether or not de-stocking and zoning was a viable option for management and eradication of the disease.

6.56 In relation to the Kangaroo Island experience, Mrs Gellard told the Committee:

As the surveillance net has widened and more properties have been tested, there is an impact as people with differing views try to resolve and find some common ground for what would be an overall Kangaroo Island strategy. People have their own perspective about what is the right thing to do. Trying to manage that within a small community is difficult.<sup>49</sup>

### *Impact of the NOJDP*

6.57 The evidence presented to this inquiry indicates that it is not so much the disease itself that concerns producers, but the regulations and restrictions of the National OJD Program and Government agencies implementing the program. The Committee heard that the nature of the regulations and administration of the National OJD Program was the principal cause of distress experienced by affected producers and that the Program has fostered the stigma associated with OJD and a culture of fear for producers unaffected by the disease.

### Loss of Trust

6.58 Representatives from Government departments implementing the program have been variously described as having a 'very cold approach' and 'lacking in people skills'.<sup>50</sup> (The Committee observes that these are the comments that are repeatable in a report of this nature). Added to these problems are trading restrictions which contribute to the distress of an OJD diagnosis. As one stud owner told the Committee:

The trouble is that once we are diagnosed we are not allowed to trade with anyone. Our entire business has been taken away without compensation,

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48 *Evidence*, Mr Frank Tobin, p. 115.

49 *Evidence*, Mrs Jeanette Gellard, p. 72.

50 *Evidence*, Mr Frank Tobin, p. 114.

without anything. We are about to go bankrupt.... I have not had an income since I was diagnosed. I have the farm that I am trapped on, with its running costs. We are going to go.<sup>51</sup>

6.59 In both a written submission and in evidence, Professor Ann Daniel cited research findings, which indicate that affected producers are angry and have lost confidence and trust in the agriculture departments and Rural Land Protection Boards.<sup>52</sup> Professor Daniel concluded:

Depression in rural communities brings major costs and OJD regulations and their administration contribute significantly to severe depression and related illness among affected farmers.<sup>53</sup>

6.60 Mr Graham Privett provided the Committee with a compelling account of his legal problems with NSW Agriculture. Mr Privett, a stud breeder, was fined \$10,000 for withholding the names of his ram buyers after the NSW Department of Agriculture refused to retest his sheep.<sup>54</sup> He stated:

For a start, we volunteered to be tested about two years ago...We had one positive test out of 476 sheep. The lab report came back... There was a mistake in it. I queried the mistake and they sent out another lab report. In that lab report, all they did was put a line through a word, which was 'liver', which we did not send for testing... I complained about that one again and the third lab report they sent out they just retyped, and I was not happy with that as well. I asked for a retest and the department refused.<sup>55</sup>

6.61 The Committee believes that Mr Privett has been treated shabbily by the NSW Department of Agriculture.

### Culture of Fear

6.62 As noted above, the Committee heard evidence that the regulations and administration of the National OJD Program has contributed to a culture of fear among sheep producers, particularly stud owners and those who have not recorded a positive test but are deemed to be 'Suspect' or 'Under Surveillance'. Mrs Heather Gorham stated:

Producers who are OJD suspect or under surveillance have acute occurring stress as they are under a lot of pressure from the department to test and

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51 *Evidence*, Mr Sandy Morrison, p. 207.

52 *Evidence*, Professor Ann Daniel, p. 293.

53 *Submission*, Professor Ann Daniel, p. 6.

54 *Evidence*, Mr Graham Privett, p. 478.

55 *Evidence*, Mr Graham Privett, p. 478.

wait, and test again and wait again, restrict their trade, devalue their assets and wait some more.<sup>56</sup>

6.63 In a submission to the inquiry, Mr Bill Sweeting from the Salvation Army stated:

The effects of the OJD programme has caused a number of my clients throughout NSW to have to sell the farm because of the impact of the programme on their enterprise. I have had referrals to people who have had severe emotional effects when told of the research and eradication programme and I have had to work alongside mental health workers to deal with the problems caused. I have been referred to farmers where there has been talk of suicide. I have seen many stress related symptoms in those I visit.

Even those who have not been directly diagnosed as having the disease have to live with the fear that their property may have to come under severe restriction if there is a trace forward or even an indication of the disease through the abattoir surveillance, or if their next door neighbour has a trace forward to their property.<sup>57</sup>

6.64 Fear of an OJD diagnosis or quarantine has resulted in the use of avoidance tactics by producers to delay or prevent testing of their sheep. In evidence to the Committee, Mr Peter Gorham said:

Many times when I meet with fellow sheep producers, they tell me they are lying low. They do not want to be tested for fear of regulation.<sup>58</sup>

6.65 As a veterinary surgeon required to carry out testing for OJD, Dr Ron Merriman told the Committee:

... people do not want to test anymore. They give me a lot more excuses... In the beginning when the program started, they were very willing. They said, 'Yes, come out. We want to find out about this OJD. We want to see where it is. We want to see if we have got it.' Now that people are realising that we cannot eradicate it and that it is only a minor problem, they are stalling me; they are giving me all of these excuses... Also, the fear of quarantine just terrifies them now. They would rather just put it off indefinitely.<sup>59</sup>

#### Hassall & Associates Report Findings

6.66 In their report on the *Financial Impacts and Forms of Assistance for OJD Affected Producers*, Hassall & Associates found that many affected producers "were

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56 Evidence, Mrs Heather Gorham, p. 345.

57 Submission, Mr Bill Sweeting, The Salvation Army, pp. 2-3.

58 Evidence, Mr Peter Gorham, p. 496.

59 Evidence, Dr Ron Merriman, pp. 506-507.



more concerned with their perceived injustice in the regulations than with the effects of the disease itself".<sup>60</sup> The report also stated:

The introduction of the regulations appears to have been poorly planned with no allowance for handling the human suffering they have caused. There does not appear to have been an appropriate counselling program in place, a well planned advisory program to help in the adjustment process or any plan for adequate compensation for the losses caused by the regulations. Most interviewed stated that their frustration was with the human suffering and financial losses being caused by the regulations and not with any losses they were suffering from OJD itself.<sup>61</sup>

## **Conclusions**

6.67 The social impact and costs of OJD and in particular, the regulations and trading restrictions imposed by the National OJD Program has had a traumatic affect. The Committee believes that this is a result of overreaction by State authorities, especially in Victoria. This affect has extended beyond producers directly affected by the disease to encompass unaffected producers and entire communities by creating a culture of fear and a sense of stigma.

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60 Hassall & Associates Pty Ltd report, *Financial Impacts and Forms of Assistance for OJD Affected Producers* Volume 1, p. 30.

61 Ibid.

