

# South Australian Sheep Advisory Group

## Meeting Summary

Friday 4<sup>th</sup> May 2007

**NOTE:** At the time of distribution, the Minister has not approved the outcomes listed in this document. Any misuse of information by individuals or associations will cause this service to be withdrawn.

### 1. Welcome

The Chair welcomed members and guests to the meeting and introduced Rob Rahaley as the appointed Chief Veterinary Officer of PIRSA Animal Health. In light of recent Ministerial correspondence (dated 10 April 2007) the newly appointed and reappointed SASAG members were officially welcomed.

### 2. Attendance

<i>Ian Pfeiffer (Chair)</i>	<i>SA Meat Sheep Societies Representative</i>
<i>Janet Hall</i>	<i>Sheep Industry Representative</i>
<i>Geoff Power</i>	<i>Sheep Industry Representative</i>
<i>John Symons</i>	<i>Sheep Industry Representative</i>
<i>Francis Andrews</i>	<i>SA Stud Merino Sheepbreeders' Association Representative</i>
<i>Gwenda Hassell</i>	<i>Sheep Industry Representative</i>
<i>Jim Walden</i>	<i>Sheep Industry Representative</i>
<i>Susie Kidman</i>	<i>SA Farmers' Federation Sheep Industry Representative</i>
<i>Neil Buchanan</i>	<i>Ministerial Representative (PIRSA)</i>
<i>Trudi Goodwin</i>	<i>Executive Officer, Livestock Advisory Groups (PIRSA)</i>

### Guests

<i>Elena Petrenas</i>	<i>Manager, Livestock Advisory Groups (PIRSA)</i>
<i>Jack Van Wijk</i>	<i>Manager, Disease Control (PIRSA)</i>
<i>Rob Rahaley</i>	<i>Chief Veterinary Officer and Director (PIRSA)</i>
<i>Jack Langberg</i>	<i>Principal Strategy Consultant (PIRSA)</i>
<i>Peter Whyte</i>	<i>Veterinary Officer (PIRSA)</i>

### 3. Apologies

<i>Jack Reddin</i>	<i>Manager, OJD Program (PIRSA)</i>
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### 4. Re-confirmation of Meeting Minutes

As SASAG was not able to meet the required quorum for two meetings held in October and December 2006 (due to a delay in appointments), members decided to re-confirm the meeting minutes.

The minutes from the SASAG meetings held on the 20<sup>th</sup> October 2006 and 11<sup>th</sup> December 2006 were re-accepted as a true and accurate record.

### 5. Confirmation of Meeting Minutes – 23<sup>rd</sup> March 2007

The minutes from the SASAG meeting held on the 23<sup>rd</sup> March 2007 were accepted as a true and accurate record.

### 6. Matters Arising from Meeting Minutes/Actions – 23<sup>rd</sup> March 2007

All of the actions from the March meeting were considered to be either completed or ongoing.

## **7. Correspondence**

The correspondence was noted.

## **8. Business**

### **8.1 SASAG Membership Update**

I. Pfeiffer again welcomed the newly appointed and reappointed SASAG members to the Group. T. Goodwin advised that due to existing policy, the terms of appointments would be from the date of the correspondence until 30 September 2008. The outstanding remuneration for the meetings held between October 2006 and March 2007 has been forwarded to PIRSA payroll for processing.

### **8.2 Sheep Industry Fund**

#### **SIF Finance Statement Update**

Members were advised that at the end of March 2007 the Sheep Industry Fund (SIF) had an opening balance of \$2,917,098. To date the SIF has received a total income of \$2,293,927 for the 2006/2007 financial year, which consisted of industry contributions (\$2,155,180) and interest (\$138,747). The total revenue was greater than the year to date budget (\$1,779,211) by \$494,716.

The expenditure (\$775,366) included SASAG administration costs (\$8,941), contribution refunds (\$25,308), project expenditure (\$291,118) and part payment of the PIRSA biosecurity debt (\$450,000). Members were advised that PIRSA pays for the first two SASAG meeting expenses (in a given financial year) and any subsequent meetings are paid for by the SIF. The annual Administration costs (\$60,600) will decline as the South Australian Ovine Johne's Disease (OJD) Committee has reduced their meeting frequency. The majority of the outstanding project expenditure (Sheep Lice, Box Flat, ILO Training and OB Pastoral survey) is expected to be withdrawn by the end of June 2007.

The closing balance of the Fund as at March 2007 was \$4,335,658.

#### **Sheep Industry Fund Review Discussion Paper**

At the previous meeting SASAG agreed to develop a SIF Review consultation paper for initial consideration by SASAG and PIRSA Animal Health. The draft paper was aimed to stimulate discussion by SASAG to commence a clear direction on the use of the Fund. It was also clarified that feedback on the draft SIF paper will be sought from the Minister (prior to circulation to industry stakeholders).

Members agreed that SASAG should have a leadership role in the consultation process, as SASAG are required to make the recommendation to the Minister. It was also noted that the Minister would prefer to receive a standard view from industry stakeholders (and avoid a fragmented approach). Members agreed with the importance of a clear proposal for discussion and that recipients of the SIF should be given the opportunity to provide input on the debate.

For the benefit of new members, I. Pfeiffer confirmed that the SIF contribution was initiated to pay for disease control programs and surveillance. When the contribution was increased from 20 cents to 40 cents (to mainly pay for the PIRSA Biosecurity debt) there was limited revenue increase due to the drought in the first financial year. This is currently the case, because sheep sold less than \$5 are not required to pay the SIF contribution. R. Rahaley encouraged SASAG to continue holding Animal Health accountable for disease control and surveillance projects funded by the SIF.

J. Langberg stated that the Sheep IDB would like an opportunity to comment on new R&D project applications and their advice would be based on the recommended outputs of the SA Sheep Industry 10 year Strategic Plan. He went on to clarify that the IDB considers the whole value chain and rate limiters affecting the industry. I. Pfeiffer added that the SIF advertisements calling for submissions clearly state that project applications are required to support the objectives of the Sheep Strategic Plan (which are very broad).

There was further discussion on the limited uptake on R&D outcomes from producers and a general resistance to implement advances of information and technology on farm. This is likely due to issues with education, converting research applicability to commercial enterprises, cost of extending the information and the risk factors involved. Members generally agreed that it should be the responsibility of private consultants to source new advances in R&D as they are service providers.

J. Van Wijk commented that there are about 900 pig farmers (51,000 sows) in South Australia, compared with approximately 8,500 commercial sheep producers (11,000,000 sheep and lambs). The SA Pig Industry Fund was initiated for disease control programs such as swine dysentery and now also funds R&D, adoption of technology, education and animal welfare type projects.

N. Buchanan suggested that SASAG consider livestock organisations in Australia that have complex software to determine strategic funding decisions. Members noted that both Meat & Livestock Australia (MLA) and Australian Wool Innovation (AWI) have recently incurred significant budget cuts.

The SA OJD Control program currently aligns with the 80% private vs 20% public benefit split as determined by PIRSA's economists. However, there will be a review of the public:private benefit analysis, which may find that the private benefit is higher than 80%. As any changes to the ratio will directly impact on the SIF budget and management, SASAG will request the Minister for increased transparency on the review process.

Members were advised that SA Farmers' Federation (SAFF) would prefer if the contribution was reduced to 30 cents and to use reserves to fund appropriate projects. However, it was identified that only two ongoing additional projects could be funded if the SIF contribution was reduced to 30 cents and that it could take up to three years to recoup the SIF after the drought breaks. Some members believed that SASAG should clearly identify how the Fund should be used, before reducing the contribution - others preferred that the contribution level be set first and then determine how the money is used. Members did agree that the type of programs funded should be a key issue for SASAG to resolve. After some consideration the majority supported the following recommendation.

## **RECOMMENDATION**

**That the SIF Review discussion paper includes a SASAG recommendation for the SIF contribution to be reduced from 40 cents to 30 cents.**

*[Important note: This recommendation was subsequently rescinded at the next SASAG meeting held on 9 July 2007. At this meeting, SASAG agreed to firstly identify areas where available SIF funds should be used for the 2007/2008 financial period before reducing the contribution from 40 cents. Therefore SASAG supported for the SIF contribution to remain at 40 cents for the 2007/2008 financial year, until the review is completed.]*

## **Sheep Industry Fund Review Consultation Process**

As per the outgoing correspondence (dated 3 May 2007), the Minister has been asked to meet with the Chair and Ministerial Representative of SASAG. It is proposed for the following to be discussed:

- Reviewing the use of the Fund and proposed changes to the Sheep Industry Fund contribution.
- Changes to the National Ovine Johne's Disease Control program.
- The criteria used when undertaking an analysis of the PIRSA Public vs Private Benefit ratio.
- Proposed meeting with other Livestock Advisory Group Chairs.

## **SIF Consultation Forum**

Members agreed that the proposed SIF Consultation Forum should not be confirmed until the SIF Review discussion paper is complete. It is likely that the event will be postponed to ensure adequate time to consult with the Minister and to finalise the discussion paper.

Members suggested that invitees could include SIF contribution payers and representation from the Sheep IDB, SAFF, PIRSA, Sheepmeat's and Wool producers (stud and commercial) and the SA Lamb Development Team (SALDT). It was believed that a representative of the Livestock Agents Association should also be included in the consultation process as they liaise closely with the community and administer contributions. It was suggested that any final decision should not be made on the day of the stakeholders meeting as the feedback will need to be evaluated.

## RECOMENDATION

**That an independent facilitator is employed from the SIF to assist in conducting the SIF Review Consultation meeting.**

*[Important Note: Subsequently, SASAG has decided to undertake the review of how the Sheep Industry Fund could be used for the betterment of the South Australian Sheep industry in 2008 and beyond, through a written submission process.]*

### 8.3 OJD Program

#### **SA OJD Committee Feedback on SAFF Correspondence**

Members noted the SA OJD Committee correspondence (dated 16 April 2007), was written in response to the recommendations received from SAFF about the future of the SA OJD program.

In summary, the SA OJD Committee supports the continued use of four prevalence areas within the Sheep Health Statement, which reflects a better balance of risk based trading to continue. An alternative approach might be to define the new risk areas based on current OJD prevalence at a more local level (ie Local Government Area in SA or Rural Lands Protection Board in NSW), which would create a community driven approach to OJD control. A reduction in abattoir surveillance (as a cost saving measure) is of concern because even though it may provide information for the maintenance of area prevalence it will reduce detections of new infected flocks.

The recommendations above have been discussed by the Animal Health Committee (AHC) and the OJD Technical Advisory Group (TAG). The SA OJD Committee has also raised the following concerns on two prevalence area proposal:

- Location of the boundary lines between Low and High Risk areas (may include areas in multiple states and would cross state boundaries) possibility creating a big change to current boundaries.
- Wide range of prevalence within the new High Risk area (would incorporate Low, Medium and High - so there could be as low as 0.6% in some regions and up to 60% infection in others, which is 100 fold difference across the new area and does not reflect equivalence in risk).
- No incentive for regional disease control and no opportunity for progression of prevalence areas status as there is with the current four-zone system.

In relation to SAFFs two proposed policies relating to the long-term management of OJD post 2012, the SA OJD Committee made the following comments:

*Policy regarding removal of ABC scoring and replacement with questions regarding OJD vaccination and testing:* These questions do not adequately define the nature of the OJD risk to the potential purchaser. The current Sheep Health Statement categories B and C, which relate to these questions give more information and a gradation of risk that is based on scientific merit. Removal of categories A and D would also disadvantage the vendor of sheep by denying potential information on the relative OJD risk of the mob in question.

*Policy regarding flock managed OJD with removal of quarantine and zoning but continued National Abattoir surveillance for OJD:* The Committee is not dismissive of recommending changes to current quarantine restrictions but would consider recommending minimal quarantine arrangements with audited compliance with the option of quarantine removal following completion of an agreed Property Disease Management Plan. The Committee agrees with SAFFs support for National Abattoir Surveillance but asks that SAFF note that such surveillance to date has shown that there is a difference in prevalence from one region to another and that this difference in risk is best reflected with zones but that such zones could be better defined by a reduction to smaller areas.

The SA OJD Committee has requested SAFF to obtain feed back from producers on the SA OJD Committee concerns about prevalence areas. Members noted that consultation on the National OJD program has involved consultation and input from the South Australian sheep industry.

### **SA OJD Program Update**

J. Van Wijk advised that J. Reddin had given three months notice of his departure and offered to provide technical and practical input to PIRSA for up to five days per year. PIRSA currently supports a similar approach for the Bovine Johne's Disease program, which has proved to be a valuable decision. Therefore, Animal Health has supported at least an initial short-term contract to J. Reddin.

J. Van Wijk introduced Dr Peter Whyte who has applied for the vacant SA OJD program manager position. P. Whyte is a veterinarian who has extensive experience within the beef and dairy pharmaceutical industries. Previously he was employed by Animal Health to assist with pork and cattle health issues, including the control of Bovine Johne's disease.

J. Van Wijk explained that the SA OJD program budget is operating down slightly due to low activity, including mainland laboratory analysis. There has been one newly detected OJD property in South Australia, and testing is scheduled for June (following lambing). On Kangaroo Island the new vaccination program for replacement sheep was launched in February 2007. The Sheep Health Statement will be revised according to the outcome of the national deliberations about zoning.

J. Van Wijk tabled a report produced by Evan Sergeant (AusVet Australia) entitled 'Analysis OJD Abattoir surveillance data for 2006'. In the analysis several zoning options were considered based on OJD prevalence estimation and individual State's data. The report indicated that at least in the early years on a vaccination program, vaccinated sheep from infected flocks can still pose a serious risk of further spread of infection and it would compromise the technical integrity of the risk based trading system if producers were entirely dependent on vaccination and testing results for their risk assessment.

Members referred to the previously discussed SA OJD Committee recommendations (dated 23 August 2006), which state that South Australian sheep producers (with mainland or Kangaroo Island flocks) might apply for a 50% refund on the sheep contribution paid if they commit to annual vaccination. SASAG agreed to oppose any SIF refund if producers commit to annual vaccination.

#### **RECOMMENDATION**

**SASAG does not support any refund of the SIF contribution to South Australian sheep producers who commit to an annual vaccination program.**

### **National OJD Program Update**

The national sheep industry has proposed changes to the current national OJD management plan. The most significant recommendation is a change from the existing four prevalence areas to two prevalence areas. On this note, during a recent AHA meeting the National Sheep Industry representatives made a recommendation to reduce to two prevalence areas on behalf of industry. Apparently this was supported by industry due to the perception that there would be fewer complications with the implementation of two zoned areas. SASAG participants do not believe that industry has widespread support for the reduction from four to two prevalence areas.

Dr Deb Lehmann (SA OJD Committee Chairperson) has recently taken the five questions presented to SAFF (recommended for wider consultation) on prevalence areas to the national sheep Advisory Group meeting in Melbourne.

### **SA OJD Committee Membership Review**

Members discussed the SA OJD Committee correspondence (dated 12 April 2007) and supported their recommendations - including continued support for existing OJD prevalence areas, changes to the representation on the Committee and the Terms of Reference.

#### **RECOMEMENDATION**

**SASAG accepts the SA OJD Committee recommendations (dated 12 April 2007) to maintain the existing OJD prevalence areas (subject to the national outcome) and amendments to the Terms of Reference.**

#### **8.4 Sheep Industry Development Board**

J. Langberg reported on the business arising from the Sheep IDB meeting held on 23 March 2007. In summary, he highlighted the following:

- The appointment of the SASAG Chair position to the Sheep IDB is currently waiting for cabinet approval.
- MLA has withdrawn a significant portion of their funding support for the SA Lamb newsletter and Rural Press has agreed to produce a two monthly feature, covering sheep development issues and productivity within the meat sheep industry.
- Wool TAG is planning to develop a new strategic plan and a TAFE training program for wool harvesting.
- The Sheep Plus Coordinator has resigned and Rural Directions will now coordinate this program for a 12-month period when the future of the program will be reviewed.
- SALDT are seeking to expand the Prime Lamb Young Achiever Program to other regions.
- The recent drought activities have included multiple workshops and Natural Resource Management initiatives. Follow up workshops are also planned.

Concern has also been raised over the inconsistency between States on B-Double transport access. These permits for the sheep industry are allocated by local councils and have inconsistent legal requirements (ie length of vehicles and legal access to roads). Members discussed that 0.7km of road to the Normanville abattoir has no B-Double transport access, which needs to be resolved.

#### **8.5 Sheep Industry Fund Project Applications**

##### **OUTCOME**

**After consideration, SASAG will defer the funding decision of the Sheep Breeding Consultant and the Remote Management System project applications until the next meeting.**

#### **9. Other Business**

No other business was raised.

#### **10. Next Meeting**

The next meeting is scheduled for **Friday 6<sup>th</sup> July 2007**, to be held at Primary Industries and Resources SA, 33 Flemington St, Glenside. *[Note: This date changed to Monday 9<sup>th</sup> July 2007.]*