

South Australian Sheep Advisory Group

Meeting Summary

Friday 20th October 2006

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 Any misuse of information by individuals or associations will cause this service to be withdrawn.

The meeting commenced at 1:07 pm.

1. Welcome

The Chair welcomed all members and guests to the meeting.

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>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 Reddin</i>	<i>OJD Program Manager (PIRSA)</i>
<i>Gwenda Hassell</i>	<i>Recommended Sheep Industry Representative</i>
<i>Jim Walden</i>	<i>Recommended Sheep Industry Representative</i>
<i>Susie Kidman</i>	<i>Recommended SAFF Sheep Industry Representative</i>
<i>Trent Scholz</i>	<i>Animal Health Advisor (PIRSA)</i>
<i>Celia Dickson</i>	<i>Veterinary Officer (PIRSA)</i>
<i>Rachael Gibson</i>	<i>Animal Health Advisor (PIRSA)</i>
<i>Mark Langman</i>	<i>Legislation Advisor, Animal Health (PIRSA)</i>
<i>Jack Van Wijk</i>	<i>Manager, Disease Control (PIRSA)</i>
<i>Jack Langberg</i>	<i>Principal Strategy Consultant (PIRSA)</i>

3. Apologies

Nil

4. Confirmation of Minutes

4.1 SASAG Meeting Minutes – 25th August 2006

The minutes from the SASAG meeting held on the 25th August 2006 were accepted as a true and accurate record.

5. Matters Arising from Meeting Minutes/Actions

All of the actions from the 25th August 2006 meeting were completed, except for the distribution of meeting summaries, which can now be circulated.

6. Correspondence

The correspondence was noted.

7. Business

7.1 Introduction of Members

Three newly recommended SASAG members (subject to Ministerial appointment) introduced themselves to the Group and briefly outlined their background relating to the sheep industry.

7.2 SASAG Terms of Reference

For the benefit of new members, the Terms of Reference (TOR) was provided in the SASAG agenda pack. The terms define the scope of the group's activities besides also providing an overview of Advisory Group administrative procedures. The principle role of the SASAG is to:

- provide strategic policy advice to the Minister on the operation of the Livestock Act 1997 and relevant regulations for the sheep industry; and
- the consultative committee for the Sheep Industry Fund (SIF).

The purpose of the Fund is to provide a mechanism for the industry to collect and direct industry funds to programs that benefit sheep industry members.

7.3 Sheep Industry Fund

As of 30th September 2006, producer contributions totalling \$484,465 were received by the Sheep Industry Fund (SIF). Total revenue (including interest) to date is \$526,317. Expenditure on the other hand was only \$123,890 (\$100,000 of which was for the biosecurity fund debt), as the 2006/2007 project expenditure can not be withdrawn until Ministerial approval has been received. Members were advised that Funds are withdrawn from the SIF on a half yearly basis. This practice maximises the Funds potential to earn interest. Due to a timing error, the \$30,000 required for the NLIS project was not withdrawn during 2005/2006 but would occur during 2006/2007, as would any costs incurred by the Naracoorte Industry Liaison Officer course in June 2006.

Biosecurity Repayments and Operating Surplus

The imminent conclusion of the biosecurity fund debt stimulated discussion again about reducing the level of producer contribution to the SIF. N. Buchanan highlighted that by maintaining the current repayment schedule, the SIF earns around \$30,000 in interest per annum. However, this additional income will no longer be available after July 2007.

Sheep Levy Review

Members were advised that the matter of whether all contributors for sheep transactions are forwarded to the SIF has been a recurring issue with the Auditor General. In an attempt to overcome this problem, the Agriculture and Wine Division of PIRSA has appointed an internal auditor to assess the matter.

M. Langman indicated that Animal Health Staff conduct random audits of livestock agent records and follow up transactions where no contribution is apparent. He then went on to describe how the SIF contributions are monitored. When asked the number of private transactions versus those from agents/abattoirs, M. Langman indicated that less than a dozen transactions are collected annually from private individuals.

M. Langman clarified that the levy contribution is not due on those sheep, which sell for less than \$5 per head.

Members were advised that if SASAG were to recommend a change in the sheep levy, it would take between 2 – 6 months to progress through parliament.

Market Trends – Livestock Exchange

J. Hall tabled market trend data supplied by both the South Australian Livestock Dublin and Naracoorte Livestock Exchanges. Comments received from saleyard operators across the State are that though a marginal increase in stock has been observed for the first quarter of 2006/2007, they do not expect an overall significant change (relative to previous years).

SIF Five Year Plan Update

The updated 2006/2007 – 2010/2011 Sheep Industry Fund Five Year Budget (including the recently approved project proposals) was tabled for information. Attention was drawn to the fact that based on budgeted income and expenditure (assuming the continuation of the 40 cent levy), the Fund would close with over \$8,000,000 by the end of 2010/2011.

The same scenario (with the exception of changing the levy to either 35 cents, 30 cents, 25 cents and 20 cents between 2006/2008 – 2010/2011) was also tabled. What this revealed was that the net annual growth in the SIF (post biosecurity fund debt) would be:

- 40 cents – around \$1,000,000
- 35 cents – around \$900,000
- 30 cents – around \$ 550,000
- 25 cents – just under \$200,000
- 20 cents – funding is decreasing by around \$155,000.

Clarification was sought about why the levy was being reviewed. The following response was provided:

- SASAG periodically reviews the levy, giving consideration to the state of the sheep industry as a whole and any concerns raised by agripolitical groups;
- SIF has developed a generous surplus, coupled with not offsetting project applications;
- SASAG had maintained that once the biosecurity fund debt is paid off, the closing balance of the SIF should be maintained at around \$800,000 - \$1,000,000.

N. Buchanan explained that the role of the biosecurity fund (which is the account used to fund the OJD debt) is specifically set aside to be available for disease emergencies that cannot be budgeted for. Originally the State Government paid for the OJD work from the biosecurity fund. In recent times it is recommended that the disease is 'endemic' in South Australia and it is no longer appropriate to fund JD Control from this source.

Members noted the *Primary Industry Funding Schemes (Sheep Industry Fund) Regulations 1999* Section 2.7 Application of Fund (b), which clearly states that the SIF can be used to fund any project that will benefit South Australia's sheep industry – it is not restricted to disease control activities only.

7.4 OJD Program Funding - 2006/2007

J. Van Wijk advised that Animal Health Australia (AHA) is still negotiating with the national sheep industry about the new national OJD program. As there is unlikely to be any resolution until early 2007, it was agreed that each jurisdiction should maintain their existing program in the interim. Not all jurisdictions have access to industry funds; therefore the national sheep industry has agreed to fund abattoir surveillance in the short-term (this equates to around \$75,000 in South Australia).

Members were provided with the revised 2006/2007 OJD Control program funding proposal. SASAG previously recommended that \$400,000 is released for the OJD program for the first four months of the 2006/2007 financial period. In other States, NSW have expanded their surveillance, unlike Western Australia where abattoir monitoring has ceased.

The results of the 'Bioeconomic Modelling of Future Control Options for OJD in South Australia' (developed by Evan Sergeant) indicated that Kangaroo Island (KI) properties would see an increase of infection unless all Island sheep are vaccinated. A recent survey revealed that 97% of producers would vaccinate if a vaccine subsidy of 100% were offered. Alternatively 54% indicated that they would vaccinate if there were a 50% subsidy. It is expected that more farmers would take up the offer if an extension program were to be implemented.

Members queried on how surplus monies are dealt with. It was explained that the 80:20 split has been broken down into salary and operating costs. This means that the State will pay for 100% of the salaries and approximately 50% of the operating costs, which equates to about 20% of the total project. The OJD program is based on the OJD Model analysis, which will lead to significant

control and reduction of disease prevalence in South Australia. In addition, the OJD program budget allows between \$30,000 - \$60,000 for breakdowns, which are not used if they do not occur.

RECOMMENDATION

SASAG supports the release of \$637,352 for the remainder of the 2006/2007 financial period from the SIF for the OJD program.

SA OJD Committee Program Recommendations

Members were asked if they had considered the OJD Committee recommendations (dated 25 August 2006) submitted to SASAG. After consideration, members agreed to note the OJD Committee recommendations.

OUTCOME

SASAG formally noted the OJD program recommendations received from the OJD Committee on the 25 August 2006.

7.5 Abattoir Monitoring for Other Conditions

J. Van Wijk provided a summary of the project entitled 'Expanded South Australian Abattoir Surveillance Trial – 2006/2007'. He explained that PIRSA is seeking SASAGs endorsement to expanding abattoir surveillance beyond OJD to include the examination of all sheep carcasses (irrespective of age) on the slaughter floor for up to 23 conditions known to be detrimental to owner and/or abattoir profitability for the remainder of the 2006/2007 financial period.

The South Australian sheep industry currently has an OJD abattoir surveillance program in place. The proposed extension should result in enhanced:

- feedback provided to owners; and
- allow the industry (and PIRSA) to monitor changes in disease patterns (ie emerging conditions, changes in regional prevalence, assessing the effectiveness of control measures).

Providing increased feedback to producers will result in improved management and ensure a reliable supply of healthy sheep. This proposal is a new initiative in South Australia – NSW is the only other State where a similar system is now being developed.

For the past three weeks, expansion of surveillance activities has commenced in Murray Bridge at T&R. The AQIS Inspector inspects every line of sheep, irrespective of age, for up to 23 identified conditions. It is not expected that this will change the current surveillance and reporting methods for OJD. The conditions to be examined include:

Arthritis	C.tenuicollis	Hydatids	Pneumonia/Pleurisy
Bruising	Dog bites	Jaundice	Poly Arthritis
Cancer	Emaciation	Lung Worm	Rib Fractures
Cirrhosis	Fever/Septicaemia	Metritis/Dystocia	Sarcocystis
C.L.A.	Liver Fluke	Nephritis	Vaccination lesions
C. ovis	Grass Seeds	OJD	

Abattoirs will record and forward the information daily to PIRSA Animal Health. The data will be collated and reported to traceable owners. The information will include the identified syndromes (ie pneumonia, hepatitis, fever etc) and advice about the conditions (including control and management strategies) via fact sheet(s).

To date, it has been negotiated that AQIS Inspectors will undertake this expanded surveillance as part of the already funded OJD activities. These arrangements will be reviewed in early 2007 – any additional identified costs will be borne by PIRSA's Disease Surveillance program until the end of June 2007.

An analysis of the conditions reported will be undertaken in 2007 to identify priority areas such as whether significant penalties from meat buyers may occur, conditions with preventative measures available and priority areas for targeted surveillance projects.

The National Sheep Industry is considering a similar approach, which is partly the reason for the delay in determining the future of the national approach to OJD control. Once the national position is clarified in early 2007, a joint project proposal will be submitted to SASAG for consideration and funding for the 2007/2008 period.

RECOMMENDATION

SASAG endorses the implementation of the expanded abattoir surveillance project for the remainder of the 2006/2007 financial period to be paid for by PIRSA until June 2007.

7.6 Sheep Industry Development Board (IDB)

J. Langberg tabled a Sheep IDB progress report and summarised the IDBs priority rate limiters and plans for the future, as follows:

Production Efficiency has been identified as one area that needs improvement. It is estimated that between 10 - 20% of sheep farmers use extension services or training to assist them in improving production efficiency. To explore ways to enhance the current range of extension services, the IDB will hold a forum where key Service Providers to the sheep industry will be invited to give their views on how sheep farmers can engage in extension services.

Business Efficiency is closely related to the above. PIRSA and Australian Wool Innovations (AWI) have supported Sheep Plus over the last three years, with the current round of funding due to conclude in December 2006. PIRSA and AWI are currently negotiating additional funding for the program for 2007.

Wool Harvesting labour and training is a priority area that should be addressed. Currently all wool harvesting training is provided by TAFE under the direction of the Wool Training and Advisory Group (TAG) and AWI. On the request of the Sheep IDB and Minister McEwen, Minister Caica has directed Wool TAG to work closely with the IDB in order to develop strategies that will assist in developing a more efficient wool harvesting industry in South Australia.

Meat Processing labour and training was an issue on the agenda of the former Meat Industry Development Board and continues to be a priority rate limiter with the Sheep IDB. The Meat IDB in conjunction with SA Skills Council has initiated the SA Meat Industry Workforce Development Project to concentrate on attraction and retention of labour in the meat-processing sector.

Transport was raised as being a potential rate limiter of the sheep industry. The road infrastructure appears to be the main issue, especially in remote regions. Contact will be made with the Livestock Transport Association to ascertain if there are any major issues that the IDB should address.

Land Planning is especially an issue in regions like Fleurieu, which are having an influx of investors for reasons besides traditional agriculture. This is inflating the price of land, making it difficult for farmers to expand and it is felt will eventually have an adverse effect on the availability of highly productive land for sheep farming. At this stage the IDB has not recommended any actions in regard to this issue.

Fragmentation of Sheep Industry Organisations remains to be a priority rate limiter. The IDB have decided to invite at least one key organisation representative to each of their meetings. There was discussion by the IDB that the SASAG Chair is invited to attend the Sheep IDB meetings and potentially becomes a member.

Communication is another key area that the IDB see as important to the industry. N. Di Fava of PIRSA spends one day a week dealing with sheep industry communication matters. J. Langberg advised that the next meeting of the Sheep IDB is scheduled for 29th November 2006.

7.7 National Livestock Identification System (NLIS)

T. Woonton provided a written NLIS Sheep and Goats update, which N. Buchanan briefly summarised. Producers have raised a need for a Radio Frequency Identification (RFID) standard to accommodate those seeking to adopt NLIS compliant electronic identification. Half duplex (same as cattle) technology was proposed by the National Tag Standards Committee but rejected on the basis it is too early to lock into a particular technology.

The half duplex system is also considered to be expensive and unable to perform at the level required in a commercial saleyard environment (ie is slow to capture the husbandry data). Significant R&D investment is continuing in this area – including a proposal by the Limestone Coast Lamb Group.

At this stage any identification tag device used by producers on a voluntary basis will be accepted as NLIS compliant, provided it is accredited by MLA as an NLIS visual tag (non electronic). The tags are required to have the PIC and logo printed on it, meet the retention and readability standard and accommodate colour coding for year of birth.

SASAG Representation on the NLIS Implementation Group

N. Buchanan provided an overview on the purpose of the NLIS Implementation Group. He considered that their meeting frequency is likely to increase as further consideration is given to electronic tags that are able to capture more data and operate more effectively.

Members discussed that A. McTaggart has ceased representing SASAG on the NLIS Implementation Group. J. Hall offered to attend the next meeting as the tentative SASAG representative. This was supported by members.

8 Other Business

8.1 Ovine Brucellosis Pastoral Survey

T. Scholz tabled a Sheep Industry Fund project application entitled ‘Ovine Brucellosis Pastoral Survey’ and presented a brief PowerPoint presentation on the topic. The aim of the project is to determine the prevalence of Ovine Brucellosis positive flocks (flocks are declared positive if one positive animal is detected) in pastoral South Australia, and to educate pastoral sheep producers about Ovine Brucellosis (OB).

The Ovine Brucellosis-Free Accreditation Scheme was initially considered in 1994, and reviewed in 2001 by John Weaver. After consideration in 2005/2006, the following issues were raised:

- prospective purchasers of rams have difficulty accessing the register of accredited properties;
- non-stud producers wish to join the scheme, however is not currently allowed;
- some producers are advertising sheep as “tested negative” or “free”, without being part of the scheme – this is causing confusion amongst purchasers;
- some producers have been portraying themselves as accredited when their accreditation has lapsed; and
- concern has been raised that the name of the scheme, which implies sheep are guaranteed free of *B. ovis*, is inappropriate.

It is intended for the survey results to be distributed to all South Australian sheep producers, however the main target audience will be in the pastoral zone. As required, a field day will be held to discuss the findings of the project, explaining the benefits of OB management and steps in how to eliminating infections and prevent reinfections. It is also envisaged that results will be published in the “Across The Outback” (ATO) newsletter, which is widely read by producers in the South Australian pastoral areas.

Members were advised that currently only sheep studs are eligible to join the scheme. Historically, stud and breed associations contributed to the costs of running the scheme and PIRSA administered it. However, this no longer occurs. The purpose of the scheme is to ensure that farmers can buy sheep, which are low risk of OB with confidence. Therefore, it is desirable that any sheep producer, who is able to meet the scheme’s requirements, be able to join.

After consideration, members decided to contact the Australian Stud Breeders Association and seek their support to expand the scheme to include all commercial sheep producers.

RECOMMENDATION

- **SASAG supports the forwarding of correspondence to the Stud Breeds Association seeking their support to expand the Ovine Brucellosis scheme to include all commercial sheep producers.**

- **SASAG supports the release of up to \$27,335 for 2006/2007 and \$25,000 for 2007/2008 from the SIF for the Ovine Brucellosis Pastoral Survey.**

OUTCOME

Forward correspondence to the Minister recommending the release of Sheep Industry Funds (SIF) for the Ovine Brucellosis Pastoral Survey Project and continuation of the OJD Program.

8.2 Impact of the Drought

J. Langberg advised that the Federal Agriculture Minister Peter McGuaran and the Minister for Agriculture, Food and Fisheries are meeting shortly to discuss the impact of the drought. The South Australian Exceptional Circumstances (EC) applications have progressed, with Local Cabinet relaxing the essential criteria and considering potential initiatives to assist farmers (in conjunction with relevant bodies, including SAFF).

PIRSA Animal Health is assisting communities to seek EC status and producers with their applications. The Animal Health Officers (AHO) are also assisting with the disposal of livestock with no commercial value. It is possible that this may become a more common strategy if the impact of the drought continues to reduce stock values - particularly old ewes. Concern was raised that in NSW, producers are been charged for disposal of sheep at local dump-sites. It was thought that the Environmental Protection Authority (EPA) and the Department of Water, Land and Biodiversity Conservation (DWLBC) has recommended that producers bury sheep on their own property. As required, the AHOs are liaising closely with these organisations to consider site selection and other 'environmental' considerations.

J. Langberg reported that drought workshops have been conducted in regional South Australia (including five in the South East). The workshops provide farm management and technical advice to livestock producers, and are coordinated by Michael Wurst (Rural Solutions South Australia). Attendance rates have been excellent (up to 100) and producers have provided feedback to PIRSA and RSSA.

8. Next Meeting

The next meeting (to discuss the impact of the drought) is scheduled for **Monday 11th December 2006** from 11:00 am – 4:30 pm in the Seminar Room, Level 1, Primary Industries and Resources SA, 33 Flemington St, Glenside.

Meeting closed at 5:05 pm