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Department of
**Primary Industries and
Regional Development**



Cattle
Industry Funding Scheme

Cattle Industry Funding Scheme

Annual report 2017/2018



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October 2018**Important disclaimer**

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From the Chair

It gives me great pleasure to present the eighth Cattle Industry Funding Scheme annual report to the Western Australian cattle industry and to the Minister for Agriculture and Food.

The Committee is pleased to report a successful year for the Scheme.

Surveillance programs for Johne's disease (JD) in cattle, enzootic bovine leucosis and bovine tuberculosis were delivered successfully in partnership with the Department of Primary Industries and Regional Development (DPIRD); as was the highly commended Western Australian-based cattle NLIS helpdesk, which was co-funded by the Scheme and the Cattle Industry Biosecurity and Food Safety Association.

2017/18 also saw the commencement of a targeted surveillance program to determine the prevalence of Johne's disease (JD) in the Western Australian cattle herd. The program relied on producers volunteering to have their herds tested for the disease – and the Western Australian industry stepped up to what might be considered a confronting exercise. I am pleased to say that the minimum number of properties that needed to be tested to provide confidence in the results was well and truly exceeded.

The Committee commends the tireless efforts of DPIRD staff who encouraged industry participation, worked in the field with producers to collect samples and then processed the samples through the laboratory.

The positive support from the industry for the targeted JD surveillance program reflects the Western Australian cattle industry's commitment to its biosecurity and health status.

This commitment can also be witnessed in the level of industry support for voluntary J-BAS 8 accreditation and the Industry Funding Scheme itself, with only one producer opting out of the Scheme.

If the JD targeted surveillance testing shows Western Australia as having a negligible prevalence of JD in cattle, we will consult with the industry to confirm their support to continue JD regulation in the State and to identify how the industry can best leverage the favourable health status of the Western Australian cattle herd.

I thank you for your participation and look forward to 2018/19.



Steve Meerwald

Chair, Cattle Industry Funding Scheme

List of acronyms

CIBFSA	Cattle Industry Biosecurity and Food Safety Association
CICA	<i>Cattle Industry Compensation Act 1965</i>
CICF	Cattle Industry Compensation Fund
DNA	deoxyribonucleic acid
DPIRD	Department of Primary Industries and Regional Development
EBL	enzootic bovine leucosis
IFS	Industry Funding Scheme
J-BAS	Johne's Beef Assurance Score
J-DAS	Johne's Dairy Assurance Score
JD	Johne's disease
NLIS	National Livestock Identification System
WA	Western Australia



Image 1 – Beef cattle

Overview of the Cattle Industry Funding Scheme

In June 2010 the Cattle Industry Funding Scheme (IFS) was introduced to address biosecurity threats relevant to the Western Australian (WA) cattle industry. The Scheme was established under the *Biosecurity and Agriculture Management Act 2007* to enable cattle producers to identify the pest and disease priorities at a whole-of-industry level and raise funds for activities to address these priorities.

There are currently three Industry Funding Schemes in operation. In addition to the Cattle IFS, there is a Sheep and Goat IFS and a Grains, Seeds and Hay IFS. The three IFSs operate in a similar manner.

The purpose of the Cattle IFS is to facilitate improvements in the biosecurity, productivity and viability of the WA cattle industry, enabling WA to maintain its international recognition for excellent cattle disease status and product integrity.

For the Cattle IFS, funds are raised through a producer contribution on each chargeable sale. A 'chargeable sale' is the sale of cattle (live or carcasses) that are located on a property within the Scheme's area of operation or moved from the property for the purpose of offering them for sale/slaughter.

Producers do not have to participate in the Scheme – there is a mechanism that allows them to opt out. Opting out does not remove the legal requirement to deal with the pests and diseases to which the Scheme relates, but does disqualify the producer from any benefits provided by the Scheme such as on-ground assistance and compensation.

The Cattle IFS is overseen by a seven-member Industry Management Committee. The Minister for Agriculture and Food appointed the committee members after inviting industry nominations and receiving advice from an industry-based Appointments Committee. As required by regulation, the majority of the Industry Management Committee are full participants of the Cattle IFS.

The Industry Management Committee is responsible for approving payments made from the IFS Account and approving the biosecurity-related programs funded through the Scheme. They also provide advice to the Minister on the Scheme's area of operation and the contribution rate.

In addition, the Industry Management Committee oversees the funds previously held in the Cattle Industry Compensation Fund (CICF), a fund established under the *Cattle Industry Compensation Act 1965*. This money was transferred to the IFS Account in 2010. Throughout this report, these funds are referred to as the 'ex-CICF funds'.

The State Government, through its Department of Primary Industries and Regional Development (DPIRD), provides the necessary support to ensure proper governance and the effective operation of the Scheme and Management Committee. This includes secretariat, communications, policy and technical support, as well as financial management. Furthermore, the normal regulatory inspection and compliance activities undertaken by DPIRD closely complement the priorities of the Management Committee.

2017/18 Cattle Industry Funding Scheme at a glance

During 2017/18:

- Contributions of 20 cents per head/carcass applied to the sale of all cattle produced in WA
- Contributions totalling \$212 195 were received
- Contributions were used to fund surveillance programs for Johne's disease in cattle, enzootic bovine leucosis and bovine tuberculosis
- The total costs of the surveillance programs were \$64 435
- Committee expenses were \$19 298
- One producer opted out of the Scheme but did not apply for a refund of their contributions
- \$74 610 of the ex-CICF funds were used to co-fund the WA helpdesk for the National Livestock Identification System (NLIS).
- Ex-CICF funds totalling \$189 322 were used to undertake a targeted surveillance program to determine the prevalence of Johne's disease in WA cattle.



Image 2 – Cattle in field



Image 3 – Cow and calf

Industry Management Committee

The Cattle IFS is overseen by a seven-member Industry Management Committee. The Committee terms of reference can be found at Appendix 1.

Mr Steve Meerwald (Chairperson) is an experienced agribusiness entrepreneur and manager with specialist knowledge of the Australian meat and livestock industry. He is Chief Executive Officer of Harmony Agriculture and Food, which runs 15 000 cattle across southern Australia with approximately half in WA. Steve was involved in the live export and processing sectors for many years; and has a deep understanding of all sectors of livestock supply chains, from producer through to domestic and international markets.

Ms Renata Paliskis (Deputy Chairperson) is the owner/manager of Cows and Calves as a beef cattle producer and opportunity feedlotter. Renata is a past Chief Executive Officer of the Western Australian Meat Industry Authority.

Mrs Wendy Brockhurst is a partner in Larrawa Station, and has been involved in the beef industry for more than 20 years. Wendy is active in the Pastoralists and Graziers Association of WA and the Kimberley and Pilbara Cattlemens' Association.

Mr Craig Forsyth runs a family farm in the Irwin Shire, 400 kilometres north of Perth. The main farming enterprise comprises of cattle fattening and backgrounding for several pastoral properties. Craig is on the board of the Mingenew-Irwin group and has been a member since its inception in 1997.

Mr Jim Motter has been involved in the WA pastoral industry for 45 years, and currently produces cattle in Badgingarra. Jim is an advocate for the northern cattle industry, and has held various positions including Chairman of Biosecurity Kimberley and the Pastoralists and Graziers Kimberley division.

Mr Graham Nixon has farmed at New Norcia for many years, mainly breeding grain-fed Angus cattle, running sheep and cereal cropping. Graham has an extensive background in the Western Australian cattle industry, representing WA producers on various State and National bodies.

Mr Mike Norton is a third generation livestock producer, with a large-scale operation across five different commodities. Mike has a long history in leadership positions with the cattle and livestock industries, including as Chair of the WA NLIS Cattle Committee and SafefarmsWA and as a past president of the WA Farmers Federation.

The Industry Management Committee administers producer contributions on a prioritised basis to assist the WA cattle industry manage biosecurity risks and improve its productivity and viability.

Membership terms

Name	Position	Expiry of term
Steve Meerwald	Chair	30 June 2019
Renata Paliskis	Deputy Chair	30 June 2019
Wendy Brockhurst	Member	30 June 2019
Craig Forsyth	Member	30 June 2018
Jim Motter	Member	30 June 2019
Graham Nixon	Member	30 June 2019
Mike Norton	Member	30 June 2019

Operation of the Cattle IFS

Since the introduction of the Cattle IFS in 2010, the Industry Management Committee has governed the collection, management and use of industry funds to deliver a biosecurity funding scheme that benefits the WA cattle industry. During the 2017/18 financial year, the Industry Management Committee held three ordinary meetings and worked on a number of key activities during the year.

Industry priorities for funding

2017/18 approved programs: In May 2017 the Committee approved surveillance programs for Johne's disease in cattle, bovine tuberculosis and enzootic bovine leucosis. For Johne's disease in cattle, two separate programs were approved – a two-year targeted surveillance program to determine the prevalence of the cattle strain of the disease in WA cattle; and a passive surveillance program. The Committee also approved funding for the WA-based NLIS cattle helpdesk for two years until 30 June 2019. Detailed information on the 2017/18 programs can be found in this report.

Wild dogs: Wild dogs were identified to the Committee as an issue affecting the WA cattle industry. In September 2017 the Committee discussed the potential for wild dogs to be covered by the Scheme but concluded that biosecurity groups were a more appropriate avenue for funding wild dog activities. Nevertheless, the Committee resolved to maintain a watching brief and have had subsequent briefings on the progress of the WA Wild Dog Action Plan.

2018/19 approved programs: At the meeting held 27 March 2018, the Committee confirmed the continuation of the surveillance programs for Johne's disease in cattle, bovine tuberculosis and enzootic bovine leucosis. In addition, funding was approved for research to develop a DNA-based test to detect Johne's disease in the blood of infected animals.

Funding for the WA-based NLIS Helpdesk and the targeted surveillance program for Johne's disease (cattle strain) during 2018/19 was approved by the Committee in the 2016/17 financial year.

Research and development: The Committee considered reinstating the open call for research and development projects. It was decided to continue the suspension of research and development funding until the results of the Johne's disease targeted surveillance were known. This is because the surveillance results will influence how the disease is managed in the future and, therefore, the level of IFS funding required.

Since 2010, the Industry Management Committee has governed the collection, management and use of industry funds to deliver a biosecurity funding scheme that benefits the WA cattle industry.

Governance

Program implementation: Over the course of the year, the Committee monitored the implementation of the programs. Written and verbal progress reports were provided to the Committee at each ordinary meeting, and ways to continuously improve were discussed. Additionally, the Committee received monthly email updates on the progress of the Johne's disease targeted surveillance.

Finances: The Committee also kept track of the financial position of the IFS over the year. This included quarterly financial reports from DPIRD as well as expense reports relating to the IFS-funded programs. This oversight helped the Committee ensure that funds were being expended appropriately.

Governance processes: Good governance is an essential part of the operation of the Industry Management Committee. Potential conflicts of interest were registered by committee members, and these were reviewed at the beginning of each meeting. Furthermore, processes were in place for decision-making and voting procedures, and the Committee abided by its Code of Conduct and the Public Sector Code of Ethics.

Strategic plan: The Committee was guided by its [Strategic Plan](#). The Plan documents the purpose, role, goal and strategies of the Committee, as well as criteria for making investment decisions.

Compliance with the IFS regulations

Remittance of IFS contributions: The Committee monitored the remittance of IFS contributions throughout the year. This was to ensure compliance with the regulations and maximise the funds available to address biosecurity issues of concern to the industry. Where discrepancies occurred, these entities were followed-up by DPIRD.

Opt out refunds: In September 2017 DPIRD notified the Committee that it had not received any applications for refunds of the IFS contributions paid during the 2016/17 financial year.

IFS area of operation and contribution rate: In accordance with the IFS regulations, in April 2018 the Committee made its recommendations to the Minister for Agriculture and Food on the 2018/19 Cattle IFS contribution rate and area of operation. The Committee recommended that the contribution rate remain at 20 cents per head/carcass – to be applied to the sale of all cattle produced in WA. The Minister endorsed the Committee's recommendations, as published in the *Western Australian Government Gazette*.

The Committee will review the contribution rate, in consultation with the industry, once the future direction for managing Johne's disease (cattle strain) in WA is confirmed.

Joint meeting of the three IFS management committees

On 4 September 2017 a joint meeting of the three IFS Management Committees was held. The purpose of the meeting was to identify cross-committee issues and strategies to improve coordination and outcomes for the three IFSs.

In addition to Committee participants, the morning session of the meeting was attended by senior DPIRD staff.

The meeting identified issues, strategies to address the issues and specific actions to deliver the strategies. Based on this information, an Action Plan was developed and is now being implemented.

Strategies to improve coordination and outcomes across the three IFSs were identified at the joint meeting of the three Management Committees.

Communications and consultation

Opportunities to consult with producers and industry groups were actively sought during 2017/18. The Committee participated in various events and other activities to increase producer awareness and understanding of the Scheme, develop networks and encourage industry feedback on the operation of the Scheme and functioning of the Committee. To do this, the Committee:

- Presented at various industry meetings and forums, including the WA Farmers Federation Livestock Council meeting, the Kimberley Pilbara Cattlemens' Association conference and the National Biosecurity Committee's WA Biosecurity Roundtable
- Was represented on the Cattle, Sheep and Goat Industry Biosecurity Consultative Group
- Participated in a number of industry meetings and forums, including farm field days and workshops
- Had information displays at major field days
- Put out several media releases resulting in articles in the rural press
- Published articles in industry newsletters
- Participated in several radio interviews
- Held one-on-one discussions with key industry stakeholders; and
- Maintained and promoted the IFS through the DPIRD website and social media.

Activities to increase producer awareness and understanding of the Scheme, develop networks and encourage industry feedback were undertaken during the year.

Changes to the Industry Funding Scheme regulations

In September 2017 the Cattle IFS Management Committee reviewed and discussed the proposed amendments to the IFS regulations. The proposed changes are expected to improve the regulations to better meet the needs of the industry. In-principle support for the changes was given by the Committee. The draft regulation amendments will be provided to the Committee for endorsement prior to the amendments being finalised.

The proposed changes to the IFS regulations are expected to better meet the needs of the industry.

Updates on issues relevant to the Western Australian cattle industry

Over the course of the year, the Cattle IFS Management Committee was updated on the following:

- Operation Waybill
- Progress of implementing a national 'Johne's Dairy Assurance Score' (J-DAS); and
- The current scientific understanding of the effects of Johne's disease (sheep strain) in cattle.



Department of
Primary Industries and
Regional Development

Industry Funding Schemes
Biosecurity and Agriculture Management Act 2007

Biosecurity Funding Schemes

Industry Funding Schemes are a means by which agricultural industries can raise funds to control pests and diseases.

The Schemes are **industry-driven**, with industry itself deciding if, when and to what extent the Scheme is used.

Managing biosecurity threats requires a collaborative effort. Working together through the Schemes, industry are **addressing the priority issues** that can impact on the industry's future.

Further information

Contact:
Industry Funding Scheme
Executive Officer
IFS@dpird.wa.gov.au

agric.wa.gov.au/IFS

Image 4 – Industry Funding Scheme banner used to promote the Schemes at events

Effectiveness of the Scheme

A total of \$212 195 in contributions to the Cattle Industry Funding Scheme were received during 2017/18.

The number of producers opting out of the Scheme remains extremely low, with only one producer opting out in 2017/18 (Figure 1).

The producer that opted out in 2017/18 did not apply for a refund of their contributions.

More than 99% of WA cattle producers participate in the Scheme, which indicates the importance of the Scheme to the industry.

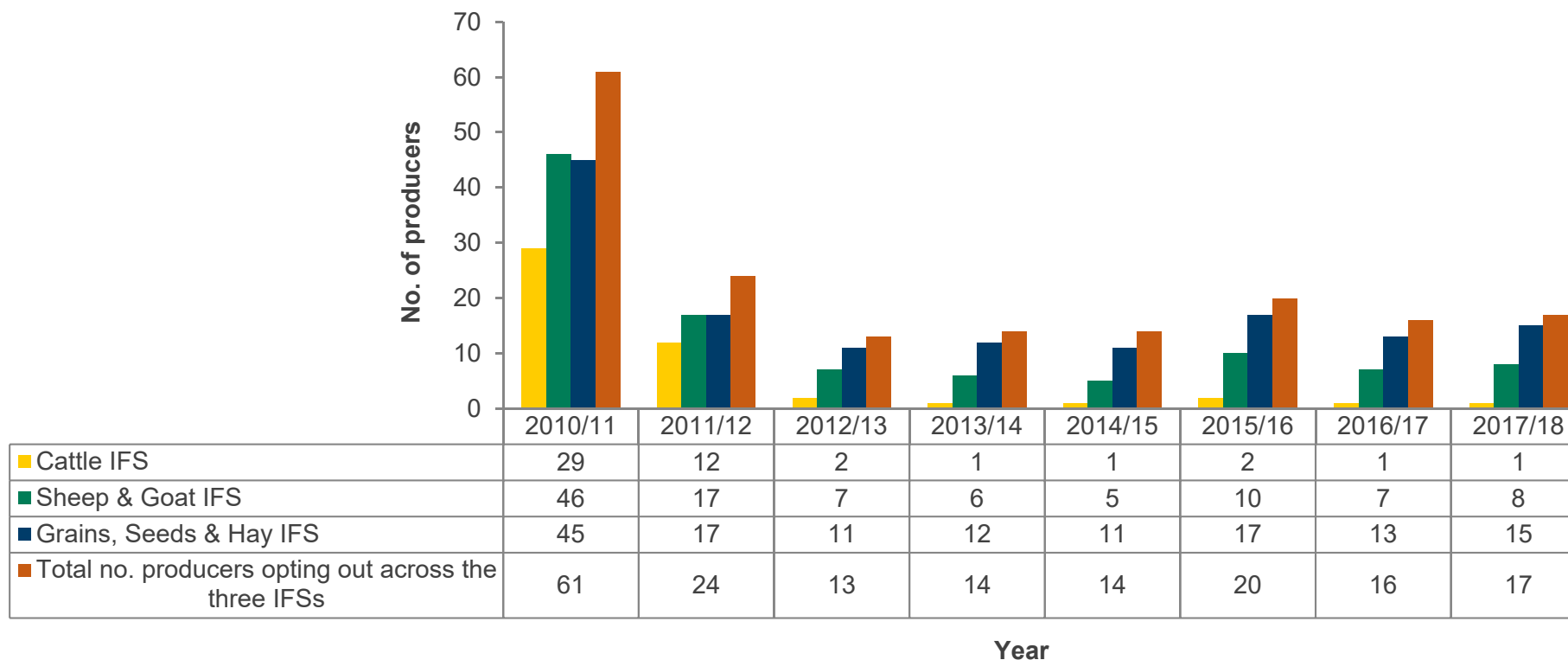


Figure 1 – Number of producers opting out of Industry Funding Schemes since 2010

Note – numbers are not mutually exclusive (some producers opt out of more than one scheme).

More than 99% of Western Australian cattle producers participate in the Cattle Industry Funding Scheme, which indicates the importance of the Scheme to the industry.

For the 2017/18 financial year, the estimated number of cattle sales on which IFS contributions were payable was 724 000; however, contributions were paid on 1 060 975 cattle during the year (that is, 147%). This analysis of the collection rate for Cattle IFS contributions uses data from the Australian Bureau of Statistics, Department of Primary Industries and Regions South Australia and the WA Meat Industry Authority to estimate the number of 'chargeable sales' that took place during the year. It must be stressed that there are limitations to the analysis – for example, data are not available for private sales or interstate sales where cattle are moved out via Kununurra or the Tanami Road.

Owing to the difficulties in accurately estimating the number of chargeable sales, the Committee regularly monitors the contributions being paid to the IFS to ensure the regular and correct remittance of contributions from agents and processors.

Owners of stock sold to persons other than agents or processors (for example, to exporters or to other producers) are required to pay the IFS contributions direct to the Scheme.



Image 5 – Beef cattle

2017/2018 approved biosecurity programs

Surveillance for enzootic bovine leucosis

Enzootic bovine leucosis (EBL) is a viral disease of cattle that infects white blood cells and causes a leukaemia.

The Australian dairy herd is recognised internationally as being free of EBL. In order to maintain this 'EBL free' status, milk monitoring is undertaken. This requires bulk milk testing of one-third of all dairies each year, and is funded by Dairy Australia.

The objective is to protect and enhance Australia's access to the international export trade in milk, dairy products and live exports, as well as enhance confidence for domestic consumption of dairy products.

The WA dairy industry decided to undertake a higher level of monitoring than the national requirements. In WA, a bulk milk test is conducted annually for all dairies; and an intensive bulk milk test is conducted each year on one-third of dairies milking more than 200 cows (meaning all dairies milking more than 200 cows are tested in this way over a three-year period). The expense of conducting these additional tests was funded by the WA cattle industry through the Cattle IFS.

In the 2017/18 financial year, 159 bulk milk samples were collected plus 16 intensive bulk milk tests. All samples were negative for EBL.

Surveillance for bovine tuberculosis

Bovine tuberculosis is an infectious bacterial disease of cattle, affecting the lungs or digestive tract. It can be transmitted to humans from infected animals and from unpasteurised dairy products. Australia is classified as being free from bovine tuberculosis.

In 2017/18 the IFS funded investigations of cattle that reacted to the tuberculin test. The tuberculin test is a pre-export requirement for animals being exported to certain countries. The IFS compensated the owners of the investigated animals, and the IFS received the proceeds from the sale of these animals to the abattoir. Funding to conduct investigations on carcasses with tuberculosis-like defects, as identified by meat inspectors, was also provided as part of the surveillance program.

During 2017/18 five animals reacted to the tuberculin test. Further testing revealed that all samples were negative for bovine tuberculosis.

Passive surveillance for Johne's disease in cattle

The cattle strain of Johne's disease (JD) is a chronic wasting disease of cattle caused by the bacterium *Mycobacterium paratuberculosis*. The disease has a long incubation period and is spread by infected animals. JD reduces production levels in cattle even before symptoms are apparent. There is currently no treatment.

The Cattle IFS funded a passive surveillance program that investigated cattle showing symptoms of JD. The program also re-tested cattle that reacted to the pre-export JD blood test. The IFS compensated the owner of animals that had to be slaughtered for more comprehensive testing, and funds were recouped to the IFS from the sale of these animals to the abattoir.

In 2017/18, diagnostic investigations were carried out on 62 animals showing signs of potential JD infection. All animals returned negative results.

A further 2128 blood tests were carried out on export cattle during the year. Twenty-eight returned positive or suspect positive results. Of these 28, 10 were slaughtered and histological testing undertaken. All were confirmed negative for JD. The other positive/suspect positive cases were pastoral cattle that were within the accepted 3% pastoral cattle export detection limit.

Table 1 – Costs of the 2017/18 disease surveillance programs

Item	\$
Employee expenses	27 433
Laboratory costs	19 077
Compensation payments	16 097
Services and contracts	5 100
Consumables	1 147
Freight and mail	517
Advertising and promotion	64
Proceeds from the sale of cattle	- 5 000
Total cost of program	64 435

IFS contributions funded surveillance for enzootic bovine leucosis, bovine tuberculosis and Johne's disease in cattle at a total cost of \$64 435.

2017/18 programs funded via ex-CICF

With the repeal of the *Cattle Industry Compensation Act 1965* (CICA) and the commencement of the IFS regulations under the *Biosecurity and Agriculture Management Act 2007*, funds from the Cattle Industry Compensation Fund (CICF), a fund established under the CICA, were transferred to the Cattle IFS Account. These 'ex-CICF' funds are now managed by the Cattle IFS Management Committee and can be used for projects that will benefit the WA cattle industry.

Johne's disease in cattle – targeted surveillance

As mentioned in the previous section, the cattle strain of Johne's disease (JD) is a chronic wasting disease caused by the bacterium *Mycobacterium paratuberculosis*. During 2017/18, a targeted surveillance program was initiated to scientifically determine the JD status of beef and dairy herds across the State. The results of the program will inform the WA cattle industry decision on whether to continue to regulate JD in cattle in WA, including whether to maintain border controls.

A risk-based approach was taken, whereby properties that had imported cattle since 2005 from the eastern states (where the risk of JD is greater than in WA) were invited to take part in testing.

An epidemiological assessment was undertaken to identify the minimum number of properties that had to be tested to give a high level of confidence in the results (i.e. statistical validity). Table 2 documents the minimum number of properties and the

number of properties that accepted the invitation to participate in the program.

During the 2017/18 financial year, sampling was completed on 94% of the southern properties that had accepted the invitation and around 50% of the northern properties. It is expected that the sampling will be completed by the end of 2018.

Sampling has been completed on 94% of the southern properties and 50% of the northern properties.

Table 2 – Property numbers for JD in cattle targeted surveillance

Minimum number of properties required	Number of properties accepted
10 dairy farms	16 dairy farms
61 beef cattle farms	75 beef cattle farms
6 cattle stations	9 cattle stations

At 30 June 2018, laboratory testing had been undertaken for 84 properties, with 81 properties testing negative for JD and results pending for three properties.

In addition to the JD testing being undertaken through the targeted surveillance program, an additional 217 WA cattle properties completed voluntary testing for their Johne's Beef Assurance Score (J-BAS).

Table 3 – Costs of the 2017/18 JD targeted surveillance program

Expenses	\$
Laboratory costs	177 308
Private veterinarians and administration	5 564
Miscellaneous other	2 239
Consumables	1 977
Freight and mail	919
Employee expenses	618
Advertising and promotion	566
Operating lease, rental & hire costs	132
Total cost of program	189 322



Image 6 – Pastoral cattle



Image 7 – DPIRD NLIS Helpdesk staff member, Jack Nixon, demonstrating the scanning of an NLIS electronic device

WA-based NLIS cattle helpdesk

In conjunction with the Cattle Industry Biosecurity and Food Safety Association (CIBFSA), the Cattle IFS has been co-funding the operations of the WA National Livestock Identification System (NLIS) cattle helpdesk since mid-2015. Two-thirds of the costs of this project are funded through the IFS using ex-CICF funds, and one third of the costs are provided by the CIBFSA. The ex-CICF funds were used because IFS funds can only be used for programs relating to a pest or disease that has been declared under section 22 of the *Biosecurity and Agriculture Management Act 2007* and specified under the IFS regulations.

Between 2011 and 2015, the WA-based NLIS helpdesk was fully funded through the IFS (ex-CICF).

The total cost of this service was \$111 633 in 2017/18 (Table 4), of which \$37 023 was provided by the CIBFSA.

Table 4 – Costs of the 2017/18 NLIS cattle helpdesk

Expenses	\$
Employee expenses	108 013
Vehicle	1 892
Communication and travel	1 728
Total expenses	111 633
Cattle Industry Biosecurity and Food Safety Association contribution	- 37 023
Total cost to the Cattle IFS (ex-CICF)	74 610

The NLIS is a national program. All sectors of the cattle industry are required to comply with NLIS regulations to enable lifetime traceability of each animal in the event of a disease outbreak or residue contamination. The program also gives markets confidence in our product integrity. The national NLIS helpdesk, administered from Sydney, only gives advice on issues relating to the direct use of the NLIS database.

State Government funding covers basic auditing and monitoring activities. The IFS ex-CICF/CIBFSA funding enables the WA-based helpdesk to provide phone, email and onsite advice and support to WA cattle producers to help them comply with the NLIS regulations – from identification through to managing the movement of stock. During the year the helpdesk responded to 10 296 enquiries (Table 5).

Table 5 – Helpdesk enquiries from July 2017 to June 2018

Regions	Telephone	Email	Total
Pastoral area	436	742	1178
Agricultural area	3645	5473	9118
Total	4081	6215	10 296

Producers often remark on the usefulness of the service – particularly as it understands how the WA industry operates, which allows specific and relevant information to be quickly provided to individual businesses.

The presence of a NLIS cattle helpdesk is unique to WA. Producers often remark on the usefulness of the service – particularly as it understands how the WA industry operates, which allows specific and relevant information to be quickly provided to individual businesses. This is reflected in the ‘exemplary’ rating WA received on its performance in the recent national traceability evaluation, CowCatcher III. The regular assistance provided to the WA cattle industry via the helpdesk and the relationships that have been built with the industry, have significantly contributed to this impressive rating of WA’s traceability performance.

2017/2018 financial details

The IFS finances are administered by the Director General of DPIRD through an agency special purpose account called the Cattle Industry Declared Pest Control and Compensation Account (the IFS Account). DPIRD manages these funds on behalf of the Committee and prepares financial reports including the end of financial year statement.

- The balance of the IFS Account was \$5 777 565 at 30 June 2018. This included \$5 153 863 of ex-CICF funds and \$623 693 of IFS funds.
- The total cost of the 2017/18 passive surveillance programs were \$64 435¹.
- \$189 322 was spent on the targeted surveillance for Johne's disease¹.
- The 2017/18 NLIS cattle helpdesk project cost \$111 633, with one-third of these costs provided by the Cattle Industry Biosecurity and Food Safety Association¹.
- Industry contributions to the IFS totalling \$212 195 were received by DPIRD in 2017/18.
- Interest applied to the IFS funds during 2017/18 amounted to \$10 913; and \$100 925 of interest was applied to the ex-CICF.

- The activities of the Committee resulted in expenditure of \$19 298.

Tables 6 and 7 contain the financial details for the 2017/18 Cattle IFS.



Image 8 – Dairy cattle

¹ Some of the costs of the 2017/18 programs were deducted from the Account during the 2018/19 financial year.

Table 6 – Cattle IFS income and expenditure for 2017/18

Expenses	IFS (\$)	Ex-CICF (\$)	Total (\$)
Programs:			
Passive surveillance	64 435	-	64 435
Targeted JD surveillance	-	189 322	189 322
NLIS helpdesk	-	111 633	111 633
Other expenses:			
Board member fees	5 460	-	5 460
Travel expenses	10 591	-	10 591
Meeting expenses	1 599	-	1 599
Advertising/media	967	-	967
Facilitation – joint IMC meeting	681	-	681
Total expenses	83 733	300 955	384 688
Income			
Contributions	212 195	-	212 195
CIBFSA	-	37 023	37 023
Interest revenue	10 913	100 925	111 837
Total income	223 107	137 948	361 055
NET COST OF SERVICE	- \$139 374	\$163 007	\$23 633

Table 7 – Balance sheet for the Cattle IFS

Balance sheet	IFS (\$)	Ex-CICF (\$)	Total (\$)
EQUITY at 30 June 2018	623 693	5 153 863	5 777 565

Note – the listed expenses are the total cost of the 2017/18 programs. Some of these costs were debited from the Account during the 2018/19 financial year. The balance sheet identifies the actual equity at 30 June 2018.

The net cost of service for the 2017/18 Cattle Industry Funding Scheme was \$23 633.

Direction for 2018/2019

It is anticipated that the targeted surveillance for JD in cattle will be completed by the end of 2018. Following confirmation of the laboratory results, the Industry Management Committee will work with the WA cattle industry to identify how JD will be managed in the State.

These decisions will have a direct influence on the level of funding the IFS needs for its annual programs. Any potential change to the contribution rate will be discussed with the industry, including the level of ex-CICF and IFS financial reserves and the priorities for industry funding (including research and development).

The Committee will also continue to work to address the issues identified through the joint meeting of the three IFS Management Committees. This includes:

- Participating in the review of the IFS provisions as part of the anticipated review of the *Biosecurity and Agriculture Management Act 2007*
- Actions to improve the rigour and transparency of the Management Committee's investment decision-making
- Clarifying IFS roles and responsibilities, including the evaluation of IFS-funded programs
- Facilitating the recruitment of members to the Committee
- Developing a broad policy framework across the three IFSs; and
- Industry engagement.

Furthermore, as the changes to the IFS regulations are put in place, the Committee will review the draft amendments to ensure the changes will meet the needs of the industry.

In partnership with DPIRD, the Committee will continue to monitor and manage the disease surveillance programs and the NLIS cattle helpdesk, as well as the new project that will commence in 2018/19 to investigate early detection of JD using Next Generation Sequencing methods. Reinstating the Cattle IFS research and development funding will also be considered once the way forward for JD management in WA has been identified.

Industry feedback is critical to the success of the Scheme. The Committee welcomes feedback and input to the Scheme, its programs and cattle industry issues in general.

The Committee can be contacted at any time through the Executive Officer. The Committee is particularly keen to hear the industry's views on the biosecurity risks and opportunities. Committee members are available to participate in industry forums, meetings and field days to discuss the Scheme and answer any questions from industry.



Appendix 1

Committee terms of reference

1. Act in good faith at all times, and without conflict of interest, to fairly and impartially represent the best interests of the industry concerned and the contributors to the Scheme.
2. Provide effective governance over the Scheme.
3. Discharge the functions conferred on the Management Committee by the *Biosecurity and Agriculture Management Act 2007* (BAM Act) and the enabling Regulations, including but not necessarily limited to:
 - advising the Director General of the Department of Primary Industries and Regional Development on the administration of the prescribed account
 - recommending annually to the Minister for Agriculture and Food the area(s) of the State in which the Scheme should operate
 - recommending annually to the Minister for Agriculture and Food the rate or rates at which contributions are to be paid
 - approving programs and other measures to be implemented under the Scheme
 - approving payments from the prescribed account for compensation in respect of losses (as described in the regulations)
 - consulting annually with the industry for the purpose of ascertaining industry views on the operation of the Scheme and the performance by the committee of its functions
4. Undertake such other functions related to the operation of the Scheme as required.
 - reporting at least annually to the Minister for Agriculture and Food on the operation and effectiveness of the Scheme, and any matters relating to the operation of the relevant regulations as the Minister specifies.