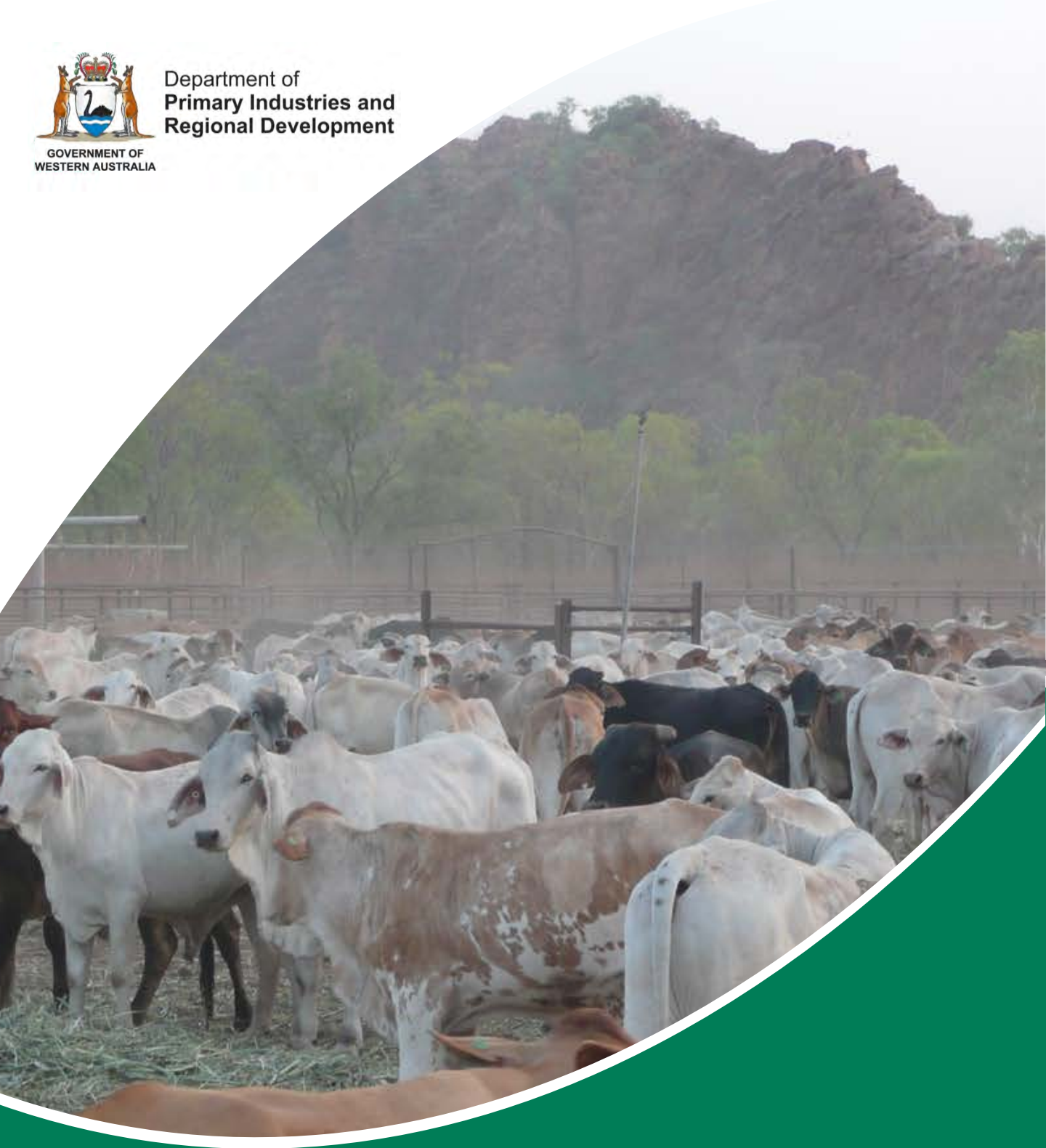




Department of
**Primary Industries and
Regional Development**



Cattle Industry Funding Scheme

Annual report 2016/2017

Contact details

Rebecca Heath (IFS Executive Officer)
Department of Primary Industries and Regional Development
rebecca.heath@dpird.wa.gov.au

November 2017**Important disclaimer**

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From the Chairperson

I am pleased to present the 2016/2017 Cattle Industry Funding Scheme annual report to the Western Australian cattle industry and the Minister for Agriculture and Food.

The 2016/17 financial year was an important year for the Scheme and the Western Australian (WA) cattle industry. With changes to the national framework for managing Johne's disease coming into effect on 1 July 2016, we have spent considerable time ensuring that the industry-funded program continued to meet the needs of the WA industry.

I am impressed by the way WA cattle producers banded together and took a strong interest in the future management of Johne's disease in our State. Through the consultative program funded by the IFS, there was healthy debate on the future of Johne's disease management. Although there were differences in opinion, I am confident that we have supported the view of the majority of producers by maintaining border controls whilst we undertake a structured surveillance program.

The well-considered contributions made by industry groups, individual cattle producers and departmental staff have been greatly appreciated by the Industry Funding Scheme Management Committee; and have helped us to make decisions on behalf of the industry with regard to Johne's disease management in WA. Assuming that the results from the surveillance support the industry's belief that WA has a negligible prevalence of Johne's disease in cattle, the animal health, welfare and commercial benefits of WA regulating Johne's disease and protecting our cattle health status will increase in value over time.

The year also saw good results from the ongoing surveillance programs for Johne's disease in cattle, enzootic bovine leucosis and bovine tuberculosis, with no reportable detections. The National Livestock Identification System (NLIS) WA-based cattle helpdesk continued to play an important role in helping WA cattle producers use the system. The NLIS is integral to resolving disease or residue incidents quickly, which reduces the financial impact of these incidents on the industry and minimises the disruption to markets.

At a time when cattle prices are good, there is the opportunity to use the Industry Funding Scheme to further invest in the biosecurity of our industry. The WA cattle industry is in a unique position, being 'free' of many diseases that can be found elsewhere in Australia. It is up to each one of us to maintain and leverage the favourable position we currently have by being ever vigilant and aware of biosecurity management on our properties and livestock. I believe that the requirement for up-to-date on-property biosecurity management plans will serve our producers and industry well in the years to come.

I look forward to working with the industry to identify and invest in biosecurity programs that help maintain the viability, profitability and sustainability of the WA cattle industry.

Yours sincerely



Steve Meerwald
Chairperson
Cattle Industry Funding Scheme Management Committee

Purpose of the Cattle Industry Funding Scheme Management Committee (vision)

To facilitate improvements in the biosecurity, productivity and viability of the Western Australian (WA) cattle industry, enabling WA to maintain its international recognition for excellent cattle disease status and product integrity.

Role of the Cattle Industry Funding Scheme Management Committee (mission)

To administer producer contributions on a prioritised basis to assist the WA cattle industry manage biosecurity risks and improve its productivity and viability, including via research and development.

2016/2017 Cattle Industry Funding Scheme at a glance

During 2016/17:

- Contributions of 20 cents per head/carcass applied to the sale of all cattle produced in WA
- Contributions totalling \$226 376 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 \$132 629
- Committee costs totalled \$21 442
- One producer opted out of the Scheme but did not apply for a refund of their contributions
- \$72 542 of the ex-CICF funds were used to fund the WA-based National Livestock Identification System cattle helpdesk.



1. 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 cattle (beef and dairy) 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 then raise funds for activities targeted to 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.

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 Account and 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.

2. Industry Management Committee

Mr Steve Meerwald (Chairperson) is an experienced agribusiness entrepreneur and manager with specialist knowledge of the Australian meat and livestock industry. He is CEO of Harmony Agriculture and Food, which runs 15 000 cattle across southern Australia with approximately half in Western Australia. 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 (Fitzroy Crossing), and has been involved in the beef industry for over 20 years. Wendy is actively involved in the Pastoralists and Graziers Association of WA and the Kimberley and Pilbara Cattlemen's Association.

Mr Craig Forsyth runs a 3600 hectare (ha) 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. He represents the Producers Round Table on the WA Beef Council and is a WA representative on SARMIC. Craig is Chairman 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 (Kimberley) 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 WA 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 Western Australian Farmers Federation.

Name	Position	Expiry of term
Steve Meerwald	Chairperson	30 June 2019
Renata Paliskis	Deputy Chairperson	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



Image. Pastoral cattle.

3. Committee activities

Industry funding for priority biosecurity risks

Johne's disease in cattle: With a new national Framework Document for managing Johne's disease (JD) in cattle coming into effect on 1 July 2016, the Committee spent considerable time ensuring that the IFS-funded JD program continued to meet the needs of the WA cattle industry. At the behest of the industry, interim border controls were put in place to reduce the risk of JD entering the state whilst the Industry bovine JD Advisory Committee (an industry-lead group) developed its recommendations on the future direction for managing JD in cattle in WA.

On 3 January 2017, the IFS Management Committee received recommendations from the Advisory Committee for (amongst others):

- A regulated approach to managing JD in cattle in WA (to reduce the risk of the disease entering and spreading within the state)
- Revised border controls (to be reviewed triennially, or if WA's JD situation changes, or if the Northern Territory approach to JD is incompatible)
- An IFS-funded targeted surveillance program.

These recommendations were accepted by the Management Committee. The composition of the Advisory Committee suggested that the recommendations that were made reflected the views of the majority of the WA cattle industry.

A program proposal that met the needs of the industry (as indicated by the Advisory Committee recommendations) was drafted. In order to fully cost-recover the program, a 37 cent IFS contribution was required. The Committee consulted with the industry to confirm industry support to increase the contribution rate from its current 20 cents per head/carcass.

Responses from industry indicated support for the 37 cent contribution rate from the agricultural areas of the State, but there were numerous submissions from the northern rangelands that rejected the increased funding request.

The response from northern producers was primarily due to disagreement with the border controls that would be applied by the program. It was also suggested by some that JD was not a priority disease to be targeted through the Scheme.

After reviewing the concerns of the northern cattle producers, and taking into consideration advice from DPIRD staff, the Committee approved the 2017/18 program for managing JD in cattle in Western Australia, including a targeted surveillance program.

However, the Committee did not recommend the Minister increase in the contribution rate to cover the program costs; rather, it resolved to use the ex-CICF funds held in the IFS account to cover the costs of the targeted surveillance. The results of the targeted surveillance will provide the evidence required to statistically verify the prevalence of JD in cattle in Western Australia, and underpin future decisions on JD management in this State.

Economic impact evaluation: At the request of the Industry bovine JD Advisory Committee, the Committee agreed to fund an economic impact evaluation for JD in cattle. The evaluation provided information on the value of future JD-related investments by industry (via the IFS), and was used to guide decision-making on the future management of JD in cattle in Western Australia.

Prioritisation of biosecurity risks: In October 2016, the Executive Director of Biosecurity and Regulation advised the Committee that DPIRD is keen to work with the industry to identify the biosecurity priorities, and that this information can help the Committee make sound decisions on where IFS funds may be used. Since that time, a livestock biosecurity consultative committee (Cattle, Sheep and Goat Biosecurity Consultative Group) has been formed, with a key role to 'provide a forum to support the Industry Management Committee's determinations on industry priorities for investment'. Committee member, Renata Paliskis, is the IFS Committee representative on this group.

Wild dogs: Wild dogs were identified to the Committee as an issue affecting the WA cattle industry. During 2016/17, informal discussions on the potential inclusion of wild dogs in the Scheme occurred within the Committee, and the topic was also raised at a meeting between the three IFS Chairs and the Minister in April 2017. The Committee will further explore the potential for IFS funding to address wild dogs during the 2017/18 financial year.

Scheme governance

Industry Management Committee: Since the introduction of the 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 Western Australian cattle industry.

During the 2016/17 year, the Committee held four ordinary meetings, one extraordinary meeting and one teleconference. The focus of these meetings was to receive briefings and make decisions around the priority pests for the IFS, collection and remittance of producer contributions, progress of the IFS- and ex-CICF-funded programs and the general governance of the Scheme.

Strategic planning: The Committee reviewed its [Strategic Plan](#) in October 2016.

Review of governance procedures: As a Ministerially-appointed committee, the Committee is conscious of the imperative for good governance systems and practices. In October 2016, the Committee reviewed and updated its governance processes and procedures, including the Code of Conduct, disclosure of interests process and the decision-making framework and procedures.

Approved programs

2016/17 approved programs: In March and April 2016, the Committee confirmed the disease surveillance programs would continue into 2016/17, including interim border controls for JD in cattle given national deregulation of the disease. Over the course of the 2016/17 financial year the Committee actively monitored the progress of the surveillance programs and the WA-based NLIS cattle helpdesk (which is

funded from the IFS using ex-CICF funds). This included receiving quarterly updates on the work undertaken, issues and successes. More detailed information on the 2016/17 programs is provided in Section 5 of this report.

2017/18 approved programs: The Committee approved the 2017/18 IFS-funded programs in May 2017 — confirming the continuation of the disease surveillance programs. In addition, the Committee approved funding for a regulated approach to JD in cattle for WA, complemented by a targeted surveillance program. The purpose of the targeted surveillance is to determine the current prevalence of JD in cattle in Western Australia, which is believed to be at a negligible level. The results of the targeted surveillance program will inform decisions on the future management of JD in cattle in the State.

The Committee also approved funding for the WA-based NLIS cattle helpdesk for a further two years (until 30 June 2019).

Research and development: While the future of JD management is being determined and questions around the level of reserves and research priorities are further discussed, the Committee continued its suspension of research and development funding during the 2016/17 financial year. In making this decision, the Committee noted the value of fostering cattle research and development, and the importance of maintaining networks with scientists. It also resolved that any future research and development funding would be targeted to projects that would improve the biosecurity of the WA cattle industry.

The Committee were also briefed on progress being made with new technologies for JD testing. The continuous improvement of the IFS-funded programs and their delivery are important aspects of the Committee's activities. Developments with new JD testing technologies will continue to be monitored, given their potential to improve the effectiveness and efficiencies of IFS-funded JD surveillance.

Compensation

Review of compensation process: During the year, the Committee reviewed the processes for applying for compensation under the IFS and assessing compensation applications. In accordance with the IFS regulations, the Committee can determine the form, procedures and any time limits relating to the compensation application process. Templates have been developed to aid compensation applicants and application assessments, and information on the process has been updated. However, amendments to the compensation-related regulations are likely to be made. Once the regulation amendments have been confirmed, the Committee will finalise its compensation process to ensure congruity with the regulations.

IFS contributions

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

Opt out refunds: In August 2016, the Committee received notification that the (then) Department of Agriculture and Food had received no applications for refunds of the IFS contributions paid during the 2015/16 financial year.

IFS area of operation and contribution rate

Recommendations to the Minister: In accordance with the IFS regulations, in May 2017, the Committee agreed to recommend to the Minister for Agriculture and Food that the Cattle IFS contribution rate remains at 20 cents per head/carcass — to be applied to the sale of all cattle produced in WA. These funds are anticipated to be used for activities targeting JD in cattle, enzootic bovine leucosis and bovine tuberculosis.

It is acknowledged that the contribution rate does not adequately cover the costs of the IFS-funded programs. The Committee recommended no change in the contribution rate after seeking industry views. However, the Committee will review the contribution rate, in consultation with the industry, once the prevalence of JD in Western Australian cattle is known.

The Minister endorsed the recommendations made by the Committee, as published in the *Western Australian Government Gazette* (13 June 2017).

Industry communications and consultation

Consultation: Engaging the industry on JD in cattle was an important part of the Committee's work during 2016/17. The Committee are mindful that IFS-funded programs must meet industry's needs and expectations. Consequently, the Committee actively participated on the Industry bovine JD Advisory Committee and discussed WA's BJD management through group discussions with key stakeholders, and informally with individual cattle producers.

As mentioned previously, the Committee also undertook consultative activities with the WA cattle industry regarding a proposal to increase the IFS contribution rate from 20 cents to 37 cents.

Communication activities: During 2016/17, 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 the functioning of the Committee. To do this, the Committee:

- Participated in and/or presented at various industry meetings and forums
- Had information stands at major field days
- Put out several media releases resulting in articles in the rural press – at State and National levels
- Published articles in regional AgMemo newsletters
- Held discussions with key industry stakeholders
- Participated in radio interviews
- Maintained and promoted the IFS through the DPIRD website.

4. Effectiveness of the Scheme

A total of \$226 376 in contributions to the Cattle Industry Funding Scheme were received during 2016/17.

The number of producers opting out of the Scheme is extremely low, with only one producer opting out in 2016/17 (Figure 1). More than 99% of the Western Australian cattle producers participate in the Scheme. This is seen as indicative of the value of the Scheme to the industry.

The producer that opted out in 2016/17 did not apply for a refund of their contributions.

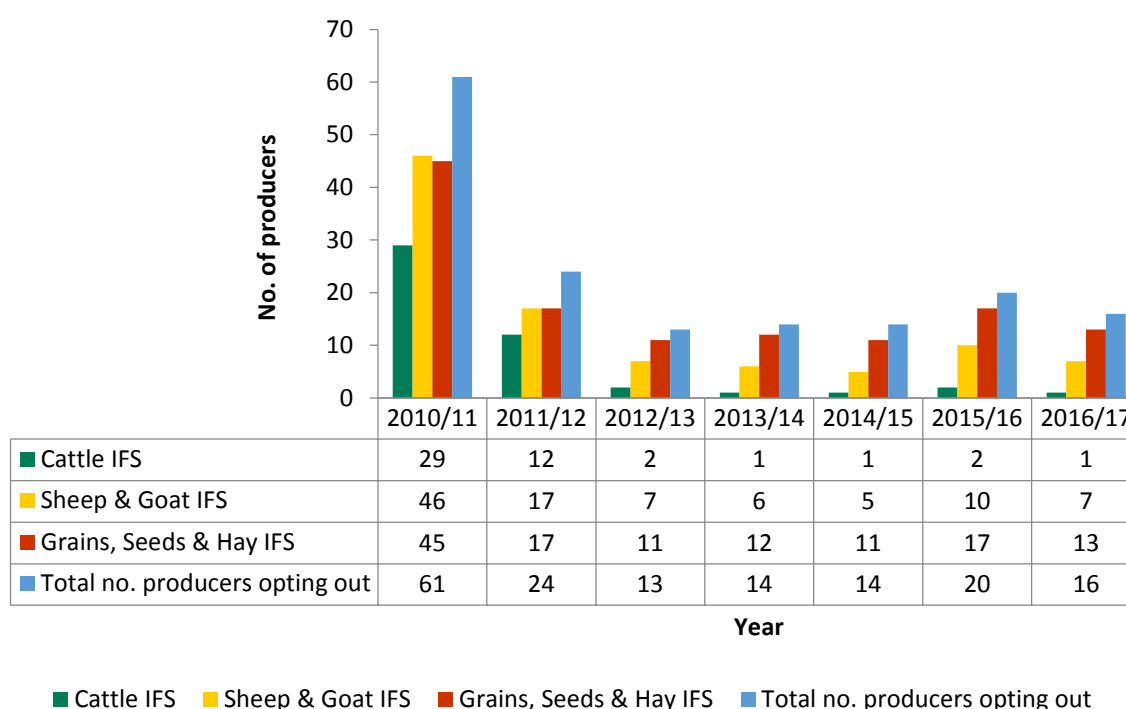


Figure 1. Number of producers opting out of Industry Funding Schemes since 2010.

Note: numbers are not mutually exclusive – some producers opt out of more than one Scheme.

For 2016/17, the estimated number of cattle sales on which IFS contributions were payable was 727 901; however, contributions were paid on 1 131 879 cattle during the year (that is, 155%). 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.

5. 2016/17 approved programs

Disease surveillance

Enzootic bovine leucosis

Enzootic bovine leucosis (EBL) is an infectious viral disease of cattle, with no known treatment or vaccine available at this time. All Australian States achieved freedom from EBL in 2012. 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.

Under the EBL National Standard Definitions and Rules, to maintain 'EBL-Free' status, dairy herds require one negative bulk milk tank EBL test every three years. WA industry has implemented a higher standard of testing, with all dairies being tested annually. Of these, one-third of dairies milking more than 200 cows are monitored through an intensive bulk milk test

In 2016/17, testing for EBL was carried out for 155 dairy herds, with no EBL detected. Intensive bulk milk tests were also undertaken on 15 larger (>200 cows) herds. All tests were negative.

Western Australia's dairy herds continue to maintain a self-declared 'EBL Provisionally Free' status. The main risk to EBL Freedom is the introduction of infection from beef herds. Cattle being moved from untested herds require an EBL test before being introduced to a new herd.

Johne's disease in cattle

Johne's disease (JD) in cattle is a chronic wasting disease 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.

Until 1 July 2016, Western Australia continued to be recognised as a BJD Free Zone under the National Johne's Disease Control Program. Having this status enabled WA producers to trade within the State and into other Australian States without restrictions. The Cattle IFS-funded surveillance program provided evidence of Western Australia's freedom from JD in cattle. From 1 July 2016, with national deregulation of the disease, the program continued to undertake surveillance activities and implement border controls to minimise the risk of the disease entering the State, whilst the WA cattle industry developed its recommendations for the Committee on the future of JD management in cattle in WA.

In 2016/17, diagnostic investigations were carried out on 74 animals showing signs of potential JD infection. All except three animals returned negative results. The three animals with positive JD infection were infected with the sheep strain of the disease.

A further 6261 blood tests were carried out on export cattle, with 206 positive or suspect positive results. The slaughter and test policy meant that 11 export heifers that returned positive JD tests were retested, slaughtered and then histologically tested. The other positive/suspect positive cases were pastoral cattle that did not meet the slaughter and test policy. These cattle were sent to domestic slaughter or exported to non-BJD sensitive markets.

The program also included extensive industry communications, within WA and nationally, to keep producers and the industry informed on the Western Australian position on JD management.

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.

The testing program funded through the IFS did not detect any cases of animals reacting to the tuberculin skin test.

Program costs

The cost of the 2016/17 disease surveillance program was \$97 202 (Table 1).

Table 1. Costs of the 2016/17 disease surveillance program.

Expenses	\$
Laboratory fees	63 814
Employee expenses	17 545
Miscellaneous other	11 496
Services and contracts	2085
Freight	1198
Travel expenses	632
Other (registrations, consumables)	432
Total expenses	97 202

Kimberley Johne’s disease surveillance program

In late 2012, it was determined that six herds in the Kimberley had received bulls traced from a Queensland herd infected with the cattle-strain of JD. A targeted surveillance program began in early 2013 in order to resolve suspicion of JD in WA cattle.

In August 2016, the last property under quarantine had its quarantine notice revoked after negative laboratory tests for the presence of JD in cattle. This signalled the conclusion of the Kimberley program — although, the affected properties were scheduled to undergo herd testing in 2018. Whether this will occur is dependent upon the future direction for managing JD in cattle in WA (as discussed elsewhere in this report).

To date, a total of 317 bulls originating from the infected stud have been found and tested to determine if any were infected with the disease. Four bulls were confirmed to be infected with the disease, but only one was shedding the bacteria. Table 2 shows the ages of the bulls that have been traced and tested, and the laboratory results.

The cost of the Kimberley JD in cattle surveillance program for 2016/17 was \$35 427. This was for laboratory fees for herd testing undertaken in early 2016 (Table 3).

Table 3. Costs of the Kimberley JD in cattle surveillance program during 2016/17.

Expenses	\$
Laboratory testing	35 427
Total expenses	35 427



Image: Kimberley cattle.

Table 2. Ages of bulls traced and tested, and laboratory test results (Kimberley JD in cattle surveillance program).

PROPERTY	Number tested according to age brand													Total bull numbers				
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	Tested	Traced	Accounted for on NLIS	Found and tested additional to NLIS tracing	Actually remaining
A		78	89	58	23	0	0	0	0	7	11	2	5	273	266	1	18	10
B						33								33	50	6	0	11
C							6							6	13	2	0	5
D							3							3	72	3	0	66
E		1												1	1	0	0	0
F							1							1	46	3	0	42
Tested to date	0	79	89	58	23	33	10	0	0	7	11	2	5	317	448	15		134
NEGATIVE (shedding)		79	89	58	23	33	9	0	0	7	11	2	5	316				
POSITIVE (shedding BJD in faeces)		0	0	0	0	0	1	0	0	0	0	0	0	1				
INFECTED but not shedding BJD (lymph node positive)		1	1	0	0	0	2	0	0	0	0	0	0	4				
														Total	317			

WA-based National Livestock Identification System cattle helpdesk

In November 2014 the Committee agreed to co-fund the operations of the Western Australian NLIS cattle helpdesk for two years until 30 June 2017. This was to be in partnership with the Cattle Industry Biosecurity and Food Safety Association (CIBFSA). Two-thirds of the costs of this project came from the ex-CICF, and one-third was provided by the CIBFSA. Money from the ex-CICF was used for this activity because IFS funds can only be used for projects 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.

The total cost of this service was \$108 271 in 2016/17 (Table 4), of which \$35 729 was provided by the CIBFSA.

Table 4. Costs of the NLIS cattle helpdesk during 2016/17.

Expenses	\$
Employee expenses	103 160
Vehicle expenses	2128
Travel	1558
Communications	1299
Other expenses	126
Total expenses	108 271
Cattle Industry Biosecurity and Food Safety Association contribution	-35 729
Total cost to the Cattle IFS (ex-CICF)	72 542

The NLIS is an industry program that has been implemented across Australia. All industry sectors are required to comply with the NLIS regulations in order to provide lifetime traceability of cattle in the event of a disease outbreak or residue contamination. The NLIS helps disease or residue incidents to be quickly resolved, which reduces the financial impact on the industry and minimises the disruption to markets.

Property to property (P2P) transfers where cattle move between private Property Identification Codes (PICs) are notoriously hard to detect, as they are only visible on the system when those stock move again and are not on the PIC of consignment. Consequently, this is considered the best measure of the influence of the Helpdesk in WA. Lower P2P percentages mean that producers are doing the P2P transfers via the system, which indicates that producers understand the need to do the transfer and improve the integrity of the databased. Table 5 compares Western Australia's P2P figures to other Australian States.

Table 5. P2P figures for all states.

State	%
Tasmania	11.78
Victoria	6.52
Queensland	4.61
New South Wales	4.26
Northern Territory	3.81
South Australia	3.01
Western Australia	2.34

The Helpdesk provides a WA-based service to help Western Australian cattle producers meet their NLIS responsibilities. During 2016/17, the WA NLIS cattle helpdesk responded to 8953 telephone and email enquiries (Table 6).

Table 6. Helpdesk enquiries from July 2016 to June 2017.

Region	Telephone	Email	Total
Pastoral area	454	1058	1512
Agricultural area	3210	4231	7441
Total	3664	5289	8953



Image. DPIRD NLIS Helpdesk staff member, Jack Nixon, demonstrating a cattle electronic identification system.

6. 2016/17 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 manage these funds on behalf of the Committee, and prepares financial reports including the end of financial year statements.

- The balance of the IFS Account was \$5 605 272 at 30 June 2017. This included \$5 135 324 of ex-CICF funds and \$469 948 of IFS funds.
- The total cost of the 2016/17 disease surveillance programs was \$132 629¹.
- The 2016/17 NLIS cattle helpdesk project cost \$108 271¹.
- Industry contributions to the IFS totalling \$226 376 were received by DPIRD in 2016/17.
- Interest applied to the IFS funds during 2016/17 amounted to \$8852; and \$101 573 of interest was applied to the ex-CICF.
- The activities of the Committee resulted in expenditure of \$21 442; and an economic analysis for JD in cattle cost \$38 150.
- \$22 032 was returned to the Account from the IFS-funded research and development project 'Development of Taqman real-time PCR for the identification of the *Mycobacterium avium* subsp. *paratuberculosis* (Johne's disease)'. This project was completed in the 2015/16 financial year.

Table 7 contains the financial details for 2016/17 for the Cattle IFS.



Image. Dairy cattle.

¹ Some of the costs of the 2016/17 programs were deducted from the Account during the 2017/18 financial year.

Table 7. Cattle IFS finances for the 2016/17 financial year.

Expenses	IFS (\$)	Ex-CICF (\$)	Total (\$)
Programs:			
Disease surveillance	97 202	-	97 202
Kimberley JD surveillance	17 713	17 714	35 427
NLIS cattle helpdesk	-	108 271	108 271
Other expenses:			
Board member fees	6710	-	6710
Travel expenses	9951	-	9951
Meeting expenses	1685	-	1685
Advertising/media	3096	-	3096
Economic analysis	19 075	19 075	38 150
Total expenses	155 432	145 060	300 492

Income	IFS (\$)	Ex-CICF (\$)	Total (\$)
Contributions	226 376	-	226 376
Cattle Industry Biosecurity and Food Safety Association	-	35 729	35 729
Refund of unspent R&D funds	-	22 032	22 032
Interest revenue	8852	101 573	110 425
Total income	235 228	159 334	394 562

NET COST OF SERVICE	-\$79 796	-\$14 274	-\$94 070
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Balance sheet	IFS (\$)	Ex-CICF (\$)	Total (\$)
EQUITY at 30 June 2017	469 948	5 135 324	5 605 272

Note: the expenses listed above are the total cost of the 2016/17 programs. Some of these costs were debited from the Account during the 2017/18 financial year. The balance sheet identifies the actual equity at 30 June 2017.

7. Direction for 2017/18

During 2017/18, the Industry Management Committee will closely monitor the progress of the targeted surveillance of JD in cattle. Testing of WA properties that have imported cattle from 2005-2015 from JD risk areas is necessary to confirm the State's negligible prevalence of the disease. This will, therefore, justify the continued regulation of the disease in WA and the maintenance of border controls.

Cattle producers who have imported cattle from risk areas since 2005 will be asked to voluntarily participate in free testing for the disease on their property. The proposed testing will also satisfy the requirements for the national Johne's Beef Assurance Score (J-BAS).

The JD surveillance results will form the basis for further consultation with the WA cattle industry as to whether regulation and border controls for JD in cattle will continue.

The Committee also expect to continue discussions with the WA cattle industry on i) the level of ex-CICF and IFS financial reserves; and ii) the priorities for industry funding (including research and development and wild dogs). It is anticipated that these discussions will provide a strong industry position that can underpin decisions regarding how IFS funds are used and the IFS contribution rate.

A joint meeting between the three Industry Funding Scheme committees is scheduled for September 2017. This meeting will provide an opportunity to identify cross-IFS issues and ways in which these can be addressed. Such an approach is expected to improve coordination and outcomes across the three Schemes.

With the review of the operation and effectiveness of the Cattle IFS regulations completed, the Committee will be closely involved in the process to amend the regulations for the Cattle IFS. The Committee will consider the regulation changes recommended through the review, and will keep abreast of the proposed changes to ensure the Scheme continues to meet the needs of the industry.

In partnership with DPIRD, the Committee will continue to manage and monitor the disease surveillance programs; as well as the ex-CICF funded NLIS cattle helpdesk. Reinstating the Cattle IFS research and development funding will be on the Committees' agenda once the way forward with regard to JD has been identified.

The Cattle Industry Funding Scheme is an industry-controlled scheme. As such, the Committee always welcomes industry feedback and input to the Scheme, its programs and cattle 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 risks and opportunities within the biosecurity arena. Committee members are available to participate in industry forums, meetings and field days to discuss the Scheme and answer any questions from industry.