



# 03/04

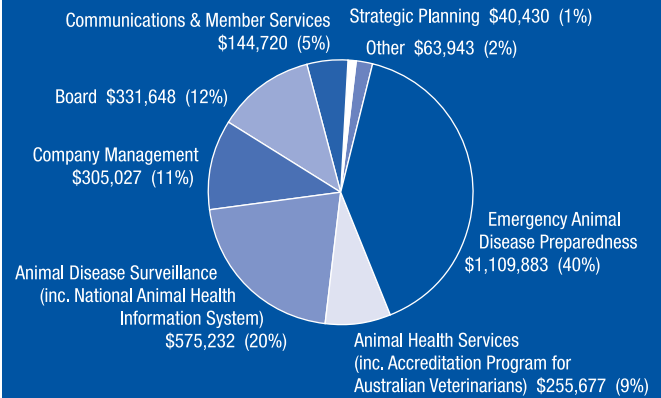
ANIMAL HEALTH AUSTRALIA

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED

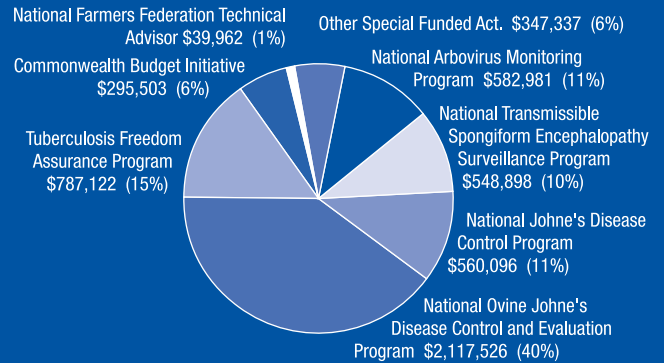
ANNUAL REPORT 03/04



### Subscription Funded Expenditure



### Expenditure on Special Funded Programs and Activities



# ABOUT US

## Who We Are

Animal Health Australia is a not-for-profit public company established by the Australian Government, State and Territory governments and national livestock industries with a mission focussing on ensuring Australia's national animal health status delivers a competitive advantage and preferred market access for Australia's livestock industries.

The company was incorporated under Australian Corporations Law in January 1996 and currently has 24 members spread across four membership categories with a structure that facilitates flexible and responsive management of animal health issues and accountability via an independently selected board of directors responsible to members in general meeting.

Animal Health Australia represents a unique organisation dedicated to advancing issues of collective interest to stakeholders associated with the health of livestock.

The company also has the capability to manage national animal health related programs for all, or a subset of members.

With an exclusive focus on national animal health issues, the company develops appropriate and sustainable partnerships between members and provides leadership in securing outcomes that position Australia as a world leader in terms of its health status and systems.

## Our mission

To ensure that Australia's national animal health system delivers a competitive advantage and preferred market access for Australia's livestock industries.

## The national animal health system comprises:

- Livestock producers and organisations
- Government animal health agencies
- Private animal health service providers
- Teaching and research and development organisations
- Livestock value chain participants
- Agribusiness
- Animal Health Australia
- Community
- Consumers

## Animal Health Australia's role in the national animal health system is to:

- Identify national animal health system priorities
- Engage animal health system stakeholders in pursuing agreed priorities
- Integrate activities of animal health service participants
- Facilitate national animal health programs
- Evaluate national animal health system outputs
- Communicate national animal health performance

## Animal Health Australia contributes to achieving national animal health priorities via the pursuit of four broad national objectives:

- 1 Improved awareness of animal health and biosecurity
- 2 Improved delivery of animal health services
- 3 Improved credibility of animal health surveillance
- 4 Improved emergency animal disease preparedness and response capability





Published October 2004

© Animal Health Australia 2004

#### Disclaimer

This publication is published by Animal Health Australia for information purposes only. Information contained in it is drawn from a variety of sources external to Animal Health Australia. Although reasonable care was taken in its preparation, Animal Health Australia does not guarantee or warrant the accuracy, reliability, completeness, or currency of the information or its usefulness in achieving any purpose.

To the fullest extent permitted by law, Animal Health Australia will not be liable for any loss, damage, cost or expense incurred in or arising by reason of any person relying on the information in this publication. Persons should accordingly make and rely on their own assessments and enquiries to verify the accuracy of the information provided.

#### Copyright and Trademarks

##### Use of materials and information

This publication is protected by copyright. Information or material from this publication may be reproduced in unaltered form for personal, non-commercial use. All other rights are reserved. Information or material from this publication may be used for the purposes of private study, research, criticism or review permitted under the Copyright Act 1968.

Any reproduction permitted in accordance with the Copyright Act 1968 must acknowledge Animal Health Australia as the source of any selected passage, extract, diagram or other information. Any reproduction must also include a copy of the original copyright and disclaimer notice as set out here.

##### Commercial and other use

No part of this publication may be reproduced, stored in a retrieval system, distributed or commercialised in any form without prior written approval from Animal Health Australia. The contents of this publication may not be used to sell a product or service for commercial reasons such as advertising.

##### Trademarks

Any trademarks or logos contained in this publication may not be used without the prior written permission of Animal Health Australia.

ISBN 1 876714 60 3

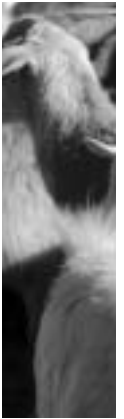
Designed and Typeset by Angela Spedding  
Graphic Design. [muronga@bigpond.com](mailto:muronga@bigpond.com)

Printed by Goanna Print

# CONTENTS



<b>Glossary</b>	2
<b>Year in Review</b>	
Chairman's Report	4
CEO's Report	6
The National Animal Health System – An Environmental Scan	7
Company Management	8
<b>Our People</b>	
Members	11
Board	11
Staff	12
<b>Review of Operations</b>	
Program Management	14
Communications and Member Services	15
Animal Health Services Program	16
Animal Disease Surveillance Program	18
Emergency Animal Disease Preparedness Program	20
Building a National Approach to Animal and Plant Health	22
National Johne's Disease Programs	24
National Arbovirus Monitoring Program	26
Transmissible Spongiform Encephalopathies Freedom Assurance Program	27
Tuberculosis Freedom Assurance Program 2	28
<b>Corporate Governance</b>	30
<b>Annual Financial Report</b>	38





## GLOSSARY

ABC	Assurance Based Credit Scheme
AB-CRC	Australian Biosecurity Cooperative Research Centre for Emerging Infectious Diseases
AHA	Animal Health Australia
AHiA	Animal Health in Australia report
AHSP	Animal Health Services Program
AHSQ	Animal Health Surveillance Quarterly
APAV	Accreditation Program for Australian Veterinarians
ASIC	Australian Securities and Investment Commission
AUSVETPLAN	Australian Veterinary Emergency Plan
BJD	Bovine Johne's disease
BSE	Bovine spongiform encephalopathy
CEO	Chief Executive Officer
DAFF	Australian Government Department of Agriculture, Fisheries and Forestry
EAD	Emergency Animal Disease
EADP	Emergency Animal Disease Preparedness Program
FMD	Foot and mouth disease
GVP	Gross Value of Production
JD	Johne's disease
MAP	Market Assurance Program
NAHIS	National Animal Health Information System
NAMP	National Arbovirus Monitoring Program
NAOJD	National Approach to the Management of OJD in Australia
NCCAW	National Consultative Committee on Animal Welfare
NJDCP	National Johne's Disease Control Program
NLIS	National Livestock Identification Scheme
NOJDP	National Ovine Johne's Disease Control and Evaluation Program
NTSESP	National Transmissible Spongiform Encephalopathies Surveillance Program
OIE	World Organisation for Animal Health (formerly Office International des Epizooties)
OJD	Ovine Johne's disease
PISC	Primary Industries Standing Committee
R&D	Research and development
RRT	Rapid Response Team
SARS	Severe Acute Respiratory Syndrome
TB	Bovine tuberculosis
TFAP	Tuberculosis Freedom Assurance Program
TFAP2	Tuberculosis Freedom Assurance Program 2
TSE	Transmissible spongiform encephalopathy
TSEFAP	Transmissible Spongiform Encephalopathies Freedom Assurance Program
US	United States



YEAR IN REVIEW





## CHAIRMAN'S REPORT

**The business environment in which Animal Health Australia operates has continued to evolve during the course of 2003/04 with a number of previously low profile issues coming into the public focus in response to developments in Australia and overseas. While none of these matters represent a radical departure from the company's previous planning they will have the cumulative effect of progressively altering company priorities.**

The importance of animal welfare as an integral component of animal health was clearly illustrated during the second half of 2003 by the so called "Cormo incident". This event emphasised that if Australia is to continue to enjoy favourable access to local and international markets, greater attention will have to be paid to ensuring customers are satisfied that livestock industries and authorities pay appropriate attention to the animal welfare aspects of the animal health status averting the threat of incursions of serious exotic diseases, minimising the impacts of established endemic diseases and maintaining confidence in its claims of freedom from important diseases.

I am pleased to note the progress of the National Consultative Committee on Animal Welfare (NCCAW) and the development of the Australian Animal Welfare Strategy. At the request of members, Animal Health Australia will take an active role in animal welfare issues and, more specifically, integrating animal welfare standards into the National Animal Health Strategy.

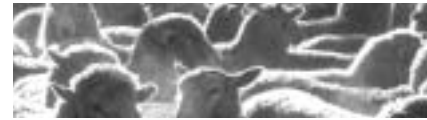
In the past year the detection of bovine spongiform encephalopathy (BSE) in North America and a series of avian influenza outbreaks primarily in Asia tended to overshadow the continuing threat of an incursion of foot and mouth disease (FMD). The impact of the BSE detections has been to increase the pressure on Australia to assure domestic and international consumers of the safety of Australian beef products in regards to BSE.

The avian influenza outbreaks in neighbouring regions have caused a review of Australia's preparedness to respond to an incursion of this and similar diseases. The risk of an incursion of avian influenza associated with the annual migration of wild birds from areas where they could have been in contact with infected domestic species poses a particular challenge for Australia's poultry industries.

Collectively these factors, combined with the possible threat of an incident involving the deliberate introduction of an infectious animal disease agent, has generated a much sharper focus on the concept of biosecurity management as the basis for protecting Australia's livestock industries and other interests.

The strengthening awareness of the importance of appropriate livestock identification and tracing systems on the part of key industry groups and leaders, consistent with Animal Health Australia's policy on this matter, is particularly encouraging. As is the wide recognition and application of the key themes of the company's Protect Australian Livestock Campaign.





Animal Health Australia has, during the course of 2003/04, participated actively in the development of a National Animal Health System Strategic Framework, in recognition that the protection and enhancement of Australia's livestock industries requires a nationally coherent strategy. The company has consulted with all members on the detail of this framework and received strong endorsement for the concept, its principles and its objectives. The framework has helped illustrate that Animal Health Australia is not the national animal health system but a part of it and that all stakeholder groups need to work together to achieve the objectives prescribed by the national animal health strategy.

More recently there has been a move to develop a broader National Biosecurity Strategy. The National Animal Health System Strategy Framework is highly consistent with this undertaking and Animal Health Australia looks forward to working with other interested parties to integrate this approach into the National Biosecurity Strategy.

I would like to take this opportunity to acknowledge an important source of funding for many of the company's additional activities over the past three years. The Australian Government's \$22.3 million investment in "Building a National Approach to Animal and Plant Health" has provided an important stream of funding to Animal Health Australia over the past three years. This initiative terminated as of 30 June 2004 and I am pleased to report that the Australian Government has recently announced a new initiative to support the further development of the national capacity to minimise the risk of disease incursions and to respond to them if they occur. Animal Health Australia looks forward to working with the Department of Agriculture, Fisheries and Forestry (DAFF) and its other industry and government members to ensure that the animal health sector receives an appropriate share of the support available under this new initiative.

Member consultation is fundamental to the operations of Animal Health Australia and the Board have worked diligently over the past twelve months to ensure the company's priorities align with those of our members. Initiatives such as the development of the National Animal Health Strategy and the Animal Health Australia Strategic Plan have helped to provide a way forward in this regard. The Board have also acknowledged the need to consult with stakeholders outside of the membership group and have initiated the AHA Fellows Program to extend the expertise of the company in a range of strategic matters that are of significance and importance to the National Animal Health System and the role of Animal Health Australia.

On behalf of the Board I would like to thank members for their continued support and for their contributions to another successful year for Animal Health Australia.

Roly Nieper



## CEO'S REPORT

**2003/04 has been a very busy and productive year for Animal Health Australia. The success of programs managed by the company since its inception has seen the company delegated with additional responsibilities for a significantly greater number of activities seen as integral to the national animal health system.**

While core programs are the focus for the majority of the work undertaken by Animal Health Australia, special programs are increasing as a significant part of the company's business. Various members are acknowledging Animal Health Australia's capabilities in the facilitation, coordination and management of national programs relating to specific diseases.

The six-year National Ovine Johne's Disease Control and Evaluation Program concluded at 30 June 2004. A new program, National Approach to the Management of OJD in Australia, will start on 1 July 2004 with Animal Health Australia continuing management on a national level.

With the increased pressure on Australia to prove freedom from transmissible spongiform encephalopathies (TSEs), Animal Health Australia, with commitment from the Australian, State and Territory governments and the cattle and sheep industries, commenced the TSE Freedom Assurance Program on 1 January 2004. This new program will incorporate all TSE activities and ensure a nationally consistent approach.

In the recent past we have taken on activities relating to the establishment of arrangements for the supply of foot and mouth disease vaccine, small hive beetle and Newcastle disease management programs as well as a substantial review of the evolving Emergency Animal Disease Response Agreement.

We are also in the process of agreeing arrangements with the Department of Agriculture, Fisheries and Forestry to coordinate the on-going training and development of the Rapid Response Team, the Australian Veterinary Reserve and a new initiative to support the training of industry personnel for the role of Industry Liaison Officer within local and state disease control centres. These activities, which are funded from sources other than the company's subscriptions and reserves, have required Animal Health Australia to review its human resource capability and to implement arrangements to meet the increasing workload.

As the company assumes responsibility for more programs and projects we maintain a focus on achieving efficiencies and continuous improvement - both in the way we do business and our ability to drive change. Last year we upgraded our financial system to meet reporting requirements, while this year we have concentrated on our program management capabilities.

The management processes for many projects have been improved, for example AUSVETPLAN. It is an enormous undertaking to manage the contingency plans that underpin Australia's emergency animal disease preparedness and I would like to acknowledge the numerous stakeholder groups and individuals who have provided their expertise to ensure the integrity of AUSVETPLAN is maintained. There are currently 24 manuals in the review process and to ensure the integrity and efficiency of the editing process we have developed a *Publications Management Plan* which has been endorsed by all members. A critical element of this new process is the separation of the technical

and administrative functions, whereby those people with technical expertise can focus on reviewing the technical aspects of the document with all administrative tasks undertaken by a dedicated resource within Animal Health Australia. The plan also ensures that both industry and government are actively engaged in the review process and provides evidence of what Animal Health Australia can achieve with collaboration between industry and government.

During 2003/04 much work has also been done as part of the National EAD Training Program and migrating the existing EAD competencies into the national training framework. This ensures that the training undertaken as part of Australia's preparedness is nationally accredited and can be potentially applied to other emergency management situations in the plant and aquatic sectors. The completion of this task will be a major focus for 2004/05.

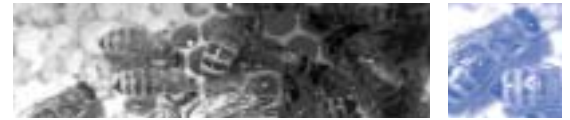
We have also reviewed a number of the policies and procedures relating to the way Animal Health Australia conducts its business, many of which have not been reviewed since the company's inception, and we will continue this process in the coming operational period.

I would like to thank the staff of Animal Health Australia for their hard work and commitment and we looking forward to continuing to work with members and stakeholders to achieve successful outcomes for the national animal health system.

Ralph Hood

# THE NATIONAL ANIMAL HEALTH SYSTEM

## - AN ENVIRONMENTAL SCAN



**Animal Health Australia operates in a complex business environment which is influenced by a range of factors. These factors are constantly changing throughout the year which in turn impact on the priorities of the company.**

Australia's continued enjoyment of a favourable health status for livestock industries and their products, when compared to competitors in international markets, increasingly depends not only on its ability to avert the threat of incursions of serious exotic diseases, and to minimise the impacts of established endemic diseases, but also on its ability to maintain the confidence of customers and trading partners in its claims of freedom from important diseases.

While the threat of an incursion of foot and mouth disease and the need to meet international requirements to retain Australia's free status for bovine spongiform encephalopathy continue to be two of the most important considerations for animal health planning and management in Australia, recent events such as international outbreaks of infectious poultry diseases, pandemics such as SARS and new and emerging diseases and strains have thrown a

spotlight on Australia's potential vulnerability in a rapidly changing world.

For producers, the circumstances facing Australia's livestock sector vary significantly from industry to industry. The continued drought conditions in eastern Australia; a fluctuating Australian dollar; strong demand and good prices for some Australian livestock products; and more favourable input feed prices throughout 2003/04 provided both opportunity and threats to Australia's livestock producers.

For governments, continued budgetary constraints for agencies with responsibility for the provision of animal health services remain tight. This pressure has seen a renewed focus on EAD training and competency accreditation combine with the consolidation of capability across jurisdictional boundaries. Initiatives such as the development of a Rapid Response Team, a highly skilled first-response unit to an emergency disease outbreak, and the sharing of information and knowledge on matters affecting the national animal health system are providing significant momentum towards an enhancement of the national EAD preparedness and response capabilities.

For veterinarians the progressive implementation of the recommendations from the "Review of Rural Veterinary Services" has seen a refocus on requirements for improvements in the national animal disease diagnostic capability and surveillance, whilst EAD responses should be enhanced by the establishment of the Australian Veterinary Reserve.

For consumers, global events have resulted in a sharper focus on the regulation of animal health, animal welfare and food safety. Community expectations and pressures from trading partners and competitors continue to result in a renewed emphasis on not only government regulation and inspection but industry compliance and articulation of positions on a range of production related issues.

For researchers, the Australian Biosecurity Cooperative Research Centre for Emerging Infectious Diseases (AB-CRC), in which Animal Health Australia is a core participant, provided an important focus for the conduct of research of relevance to the national animal health system and is set to play an important role in future research and development initiatives.



# COMPANY MANAGEMENT



## The Company in Context

Animal Health Australia is uniquely placed to facilitate the advancement of Australia's animal health system and services in partnership with industry and governments. The company performs a role in bringing service providers and beneficiaries together to ensure the interests of all stakeholders are considered in strategy, policy and program development.

Special relationships are maintained with all members as well as the nation's chief technical advisory group – Animal Health Committee, various specific purpose committees related to the Primary Industries Standing Committee (PISC), the Livestock Industry Forum and relevant research and development and marketing organisations.

## Strategic Planning

Animal Health Australia places considerable emphasis on ensuring the focus of its diverse programs and operations align with issues of strategic importance to the national animal health system.

Throughout the year the Board and management consider strategic issues as part of an annual business cycle involving members and stakeholders in a number of consultative forums and workshops. Specific projects are also conducted to gather and interpret information from the wider operating environment. Resulting reports provide a foundation for advice formulated by the Board to assist preparation of the company strategic plan, company business plan and associated three-year program plans.

Intelligence gathering and future scanning initiatives are key components of the approach to ensure the company can effectively respond to future challenges and ensure present approaches are efficiently delivering appropriate outcomes. These strategic planning activities seek to build on the understanding of the context in which the system operates and in doing so facilitates communication with key players shaping expectations and perceptions of the national animal health system.

## Financial Reporting

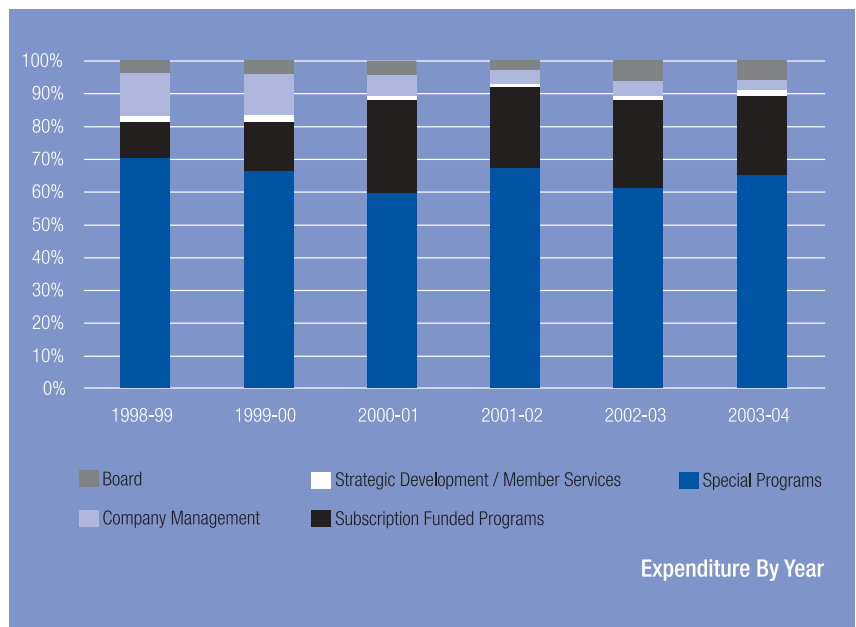
Full reporting is provided on the current status of all programs, as well as a full reconciliation of cash balances on hand against members' funds and other liabilities and assets.

## Corporate Governance

Animal Health Australia operates in accordance with Corporations Law and the Trade Practices Act, applying rigorous principles of corporate governance. A *Corporate Governance Handbook* is maintained and used by the Board in an effort to ensure the duties, accountabilities, policies and controls for the running of the company are adhered to under existing legislation.

## Financial Overview

Special Programs, ie those funded by a subset of members, continue to be a major element in terms of Company expenditure (see diagram below).





OUR PEOPLE





#### **Animal Health Australia Board**

*Back row:* Mr Roger Smith, Mr Tim Roseby (dec'd),  
Mr Peter Milne, Mr Michael Nicholls

*Front row:* Mr Reg Smith, Dr Roly Nieper (Chairman),  
Associate Professor Andrew Vizard

#### **Animal Health Australia Staff as at 30 June, 2004**

*Back row:* Ms Peta Hitchens, Mr Jack Engalnd, Dr Lorna Citer, Mr Michael Willoughby, Mr Simon Winter,  
Dr Peter Morcombe, Ms Jane McBride, Ms Sandra Bradley, Ms Sarah Lloyd

*Front row:* Mr Jamie Penrose, Ms Lee Vereschildt, Mr Ralph Hood (CEO), Ms Lindsay Hayes, Dr Robert Keogh



2004

# MEMBERS



## Australian Government

- Department of Agriculture, Fisheries and Forestry

## States & Territories

- The State of New South Wales
- The State of Queensland
- The State of South Australia
- The State of Tasmania
- The State of Victoria
- The State of Western Australia
- The Australian Capital Territory
- The Northern Territory

## Industry

- Australian Chicken Meat Federation Inc
- Australian Dairy Farmers' Limited
- Australian Egg Corporation Limited
- Australian Harness Racing Council Inc
- Australian Honey Bee Industry Council
- Australian Horse Industry Council
- Australian Lot Feeders Association Inc
- Australian Pork Limited
- Australian Racing Board
- Cattle Council of Australia Inc
- Goat Industry Council of Australia Inc
- Sheepmeat Council of Australia Inc
- WoolProducers

## Service Providers/Non-Program Participants

- Commonwealth Scientific and Industrial Research Organisation
- The Australian Veterinary Association Limited

# BOARD

## Board

Animal Health Australia's board is composed of seven non-executive part-time directors, selected on the basis of complementary skill sets and appointed by members.

Directors have combined expertise in, and experience of:

- Major export markets for livestock and their products
- Industry processing and marketing
- Extensive and intensive livestock production
- Industry organisational arrangements
- Government networks, legislation and policy development processes
- Animal health services and their delivery
- Quality systems in animal health
- Strategic, economic and financial management skills

## For the year, directors of the company were:

Dr Roly Nieper, Chairman

Mrs Keryl Enright, Deputy Chairman\*

Mr Michael Nicholls

Mr Reg Smith

Mr Peter Milne

Mr Tim Roseby \*\*

Mr Roger Smith

Assoc Prof Andrew Vizard

\*Mrs Keryl Enright retired at the December 2003 Annual General Meeting and was replaced by Associate Professor Andrew Vizard.

\*\*Mr Tim Roseby passed away August 2004.



## STAFF

### Staff

Animal Health Australia's success depends largely on its ability to harness appropriate human resource skills and apply them to developing, implementing and managing the achievement of the agreed outcomes.

Effective and efficient management of human resources involves working with the people employed by our members and as necessary seconding and contracting specific technical expertise when required.

The management team of Animal Health Australia combines skills in business, financial and program management, policy development, planning, negotiation, accounting, communications, information technology and administration. Animal Health Australia's management team is as follows:

**Table 1**

**Animal Health Australia staff as at 30 June 2004**

Position	Name
Chief Executive Officer	Mr Ralph Hood
Personal Assistant	Ms Sandra Bradley
Director Programs	Dr Rob Keogh
Manager, Technical Services	Dr Peter Morcombe
Senior Manager, Animal Disease Surveillance	Mr Simon Winter
Manager, Johne's Disease and Training Services	Dr Lorna Citer
Manager, Finance and Administration	Mr Mike Willoughby
Manager, Communications and Member Services	Mr Jamie Penrose
Assistant Program Manager	Ms Peta Hitchens
Communications Officer	Ms Jane McBride
Communications Officer	Ms Lee Vereschildt
Johne's Disease Project Officer	Mr Jack England
Finance and Administration Assistant	Ms Lindsay Hayes
Administrative Assistant	Ms Sarah Lloyd

**Table 2**

**Animal Health Australia Program Technical Coordinators as at 30 June 2004**

Program	Name
Animal Disease Surveillance Program	Dr Chris Baldock
National Emergency Animal Disease Training Program	Dr Terry Thomas
Johne's Disease	Dr David Kennedy
National Granuloma Submission Program	Dr Fiona Sunderman
Screw Worm Fly Preparedness Program	Dr John Walthall







## PROGRAM MANAGEMENT

Animal Health Australia manages a number of national programs related to the national animal health system. These programs fall into two categories; subscription funded core programs and special programs. Subscription funded activities have a collective benefit and are funded at prescribed levels by all members while special programs benefit only a subset of members and are funded by these primary beneficiaries.

Animal Health Australia provides other administrative services at the request of individual members. Currently this service applies to the Cattle Disease Contingency Fund and the Honey Bee Disease Contingency Fund.

### Subscription Funded Programs

National animal health related projects that have a collective benefit for members are funded from members' subscriptions and managed within one of the company's three core programs:

- Animal Disease Surveillance Program
- Animal Health Services Program
- Emergency Animal Disease Preparedness Program

The majority of the financial burden for these activities is shared equally amongst the three member categories, the Australian Government, State and Territory governments and livestock industries.

Shares within the latter two categories are calculated to a formula based on the Gross Value of Production (GVP) of the industry or jurisdiction. A three-year rolling average of GVP is used to reduce fluctuations resulting from the performance of individual livestock industries.

### Special Programs

Programs of particular relevance to a limited number of member organisations are funded directly by those organisations as the primary beneficiaries and are referred to as "Special Programs".

During 2003/04, the company managed the following special programs:

- National Arbovirus Monitoring Program
- Transmissible Spongiform Encephalopathies Freedom Assurance Program
- Tuberculosis Freedom Assurance Program 2
- National Johne's Disease Control Program
- National Ovine Johne's Disease Control and Evaluation Program
- National Bovine Johne's Disease Strategic Plan
- Newcastle Disease Management Plan
- Small Hive Beetle Management Plan
- Screw Worm Fly Preparedness Program.

Brokering of cost-shares for special programs occurs on a case-by-case basis having regard to the beneficiary-pays principle and the capacity of stakeholders to contribute funding. The mix of organisations to a special program is not restricted to Members where other beneficiaries can be identified.

In leading negotiations, Animal Health Australia aims to achieve equitable and sustainable outcomes that gain agreement of all parties. The application of precedents from amongst existing special programs is used whenever appropriate to reduce time lags in gaining resolution on the establishment of new programs and to reduce development costs.

### Consultative Processes

Animal Health Australia has established a consultative body, the National Animal Health Consultative Group, which meets twice a year to consult with the company on issues relating to both the national animal health system and the company's role in addressing those issues.

The National Animal Health Consultative Group provides the company with input across the full range of its core programs and activities and assists in prioritising the application of effort between and within programs.

Workshops and Industry Forums coincide with General Meetings and have a particular focus on the company and its performance. They remain an important consultative process to provide feedback and input to the Board and management of Animal Health Australia.

At the project level, specific committees are established to assist program managers in the operation of particular activities within the core programs, for example, the AUSVETPLAN Technical Review Group.

At the program level, Coordinating Committees and Technical Advisory Groups continue to assist program managers in the operation of particular programs as do the Program Advisory Groups associated with the special programs managed by the company. Special Programs each have a management committee with representatives from the beneficiary organisations to assist the company achieve stated outcomes.



**The role of communications is a critical one within Animal Health Australia given the technical nature of programs and the diversity of members. During 2003/04 Animal Health Australia focused on working collaboratively with members to ensure the delivery of relevant, timely and accurate information and to act as the conduit for feedback and information exchange.**

In 2003/04 the company sought to capitalise on already established communication channels and in doing so strengthen Animal Health Australia's networks with members and stakeholders with a view to increasing the awareness and understanding of the company's role and achievements. The approach to communications activities remains focused on ensuring effective two-way communication and integration whilst taking into account the inherent differences within the membership and the often highly complex nature of issues and negotiated outcomes that form the core of Animal Health Australia's business.

The company produced in excess of 70 publications and reports in a variety of formats throughout the reporting period with an emphasis on achieving efficiencies in production and delivery, with the company's web site providing a major platform for the release and dissemination of project and program outputs. A process of continuous improvement has been adopted to ensure the outputs delivered on behalf of the company's activities represent the most effective means by which Animal Health Australia communicates with its members and stakeholders.

## The Future

Animal Health Australia is currently considering its approach to the wider issue of knowledge management in terms of the potential methods, practices and opportunities that may exist. Working closely with the Animal Biosecurity Cooperative Research Centre and cognisant of the inherent importance that the management of information plays in securing future outcomes the company is set to critically evaluate what opportunities exist, for the company in the future.

2004/05 will also see the re-launch of the Animal Health Australia website and the ongoing review of a number of publications currently being released by the company.





## ANIMAL HEALTH SERVICES PROGRAM

**The overriding objective for the Animal Health Services Program is for Australia to be recognised by consumers and competitors as world leaders in the delivery of animal health services.**

The Animal Health Services Program focuses on those issues relating to the animal health infrastructure and service delivery system. The program seeks to enhance the quality of animal health services and the performance, capacity and capability of the providers of those services (national and regional, government, private and industry).

These issues are primarily addressed via the progressive implementation of a set of performance standards, now referred to as the *National Animal Health Performance Standards*.

Activities to enhance the national animal health services capability encompass a range of projects including an *Animal Health Infrastructure* project, a *National Laboratory Network* project and a *Required Skills* project, all of which are directed to identifying and addressing gaps in the delivery of national animal health services.

The recent release of two major review papers also had a significant impact on the activities under the Animal Health Services Program.

1. *The Review of Rural Veterinary Services*<sup>1</sup>, contained a number of recommendations that have had a direct bearing on the program in terms of the provision of veterinary and related services in rural Australia, and
2. *The Keniry Report*<sup>2</sup> which considered, amongst other things, the standards of certification of livestock exports as they apply to the national animal health system and the importance of these standards in providing confidence to trading partners.

The completion of the *National Animal Health System Performance Standards, Version 2* required Animal Health Australia's members to complete a self-assessment of their compliance with an agreed set of criteria (the standards) essentially for the purpose of identifying opportunities for improving national animal health system performance. This self-assessment was completed in late 2003 with the results consolidated and reported back to both industry and government stakeholders in early 2004. This represented the first time a truly national assessment of the capacity of the animal health system has been measured.

The Accreditation Program for Australian Veterinarians (APAV) continues to underpin the integration of private veterinarians into the national animal health system to support public animal health services capability. There are currently 585 veterinarians accredited under the program with 61 new vets joining the program in 2003/04.

<sup>1</sup> Department of Agriculture, Fisheries and Forestry - Australia, Commonwealth Department of Education, Science and Training 2003, *Review of Rural Veterinary Services Report*, prepared by PT Frawley

<sup>2</sup> Department of Agriculture, Fisheries and Forestry - Australia 2003, *Livestock Export Review - A Report to the Minister for Agriculture, Fisheries and Forestry*, 23 December 2003



## The Future

Over the next twelve months the most significant outcome for the AHSP will be the identification of the perceived deficiencies in the national animal health system via the progression of the *National Animal Health Performance Standards, Version 3*. This process will lead to the identification and remediation of gaps in specific areas through the *National Animal Health Infrastructure* project.

## Key Performance Measures

Critical Success Factors	Performance Indicators	Status
1. Auditable national animal health performance standards to evaluate the system capability.	· Analysis of infrastructure deficiencies by December 2003, following the first internal evaluation and benchmarking process.	· PROGRESSED - the development of a risk based benchmarking process is being progressed and will be applied at all levels within the national animal health system
	· National animal health system performance is benchmarked against trade competitors by 30 June 2004.	· DEFERRED - due to the delay in finalising self assessment for the purposes for Version 2.
2. Competency accredited animal health management.	· National technical skills base and resources to deliver performance standards determined and published by 30 June 2004.	· PROGRESSED - Application of national training competency accreditation processes to the animal health system is being initiated through the EAD Training Program.



## ANIMAL DISEASE SURVEILLANCE PROGRAM

**The overriding objective for the Animal Disease Surveillance Program is for Australia to be recognised by consumers and competitors as a world leader in credible animal health surveillance.**

The Animal Disease Surveillance Program supports the national animal health system in delivering its surveillance objectives in terms of ensuring credible animal health surveillance. Now in its third year, the program has made considerable contributions to the national surveillance effort principally through the consolidation of national surveillance programs, seeking national agreements for the definitions of animal disease surveillance and progressing the national animal health information capability.

The Animal Disease Surveillance Program has an expansive role that relies heavily on the cooperation of a wide range of industry and government stakeholders. Priorities for 2003/04 included:

1. Enhancing the national information capability
2. Reporting via the National Animal Health Information System (NAHIS)
3. Managing the National Arbovirus Monitoring Program (NAMP)
4. Developing the Transmissible Spongiform Encephalopathies Freedom Assurance Program (TSEFAP)
5. Coordinating the Tuberculosis Freedom Assurance Program 2 (TFAP2).

In addition, Animal Health Australia has been actively involved in the management and progression of the implementation of the National Livestock Identification System (NLIS). The company sees this as a crucial element in ensuring Australia's

animal health system achieves a nationally consistent and timely traceability system for surveillance and emergency response purposes. This has been reinforced by advice from the US and Canada that reliable trace-forward and trace-back systems were vital during the recent BSE incidences.

Animal Health Australia is also a core participant in the recently launched Australian Biosecurity Cooperative Research Centre (AB-CRC) and is represented on both the Board of Directors for the AB-CRC and on the Standing Committee on Surveillance Research.

This active participation is ensuring the AB-CRC delivers strategic outcomes for the national animal health system that is consistent with a national surveillance strategy currently being formulated, with the assistance of all stakeholders, by Animal Health Australia.

2003/04 saw the completion of national performance standards for livestock traceability in line with the objectives of the Animal Disease Surveillance Program; the incorporation of wildlife health information into the NAHIS; and the production of a number of surveillance reports and publications including the internationally recognised *Animal Health in Australia Report 2003 (AHIA 2003)*.

Development of national data standards for surveillance information has been ongoing during the period. This has been incorporated, as part of enhancing the national information capability, into the activities of the National Information Managers Technical Group (a working group of PISC) and is being considered as part of the broader enhancements to the NAHIS.



## The Future

The relevance of this national program is increasing as economic and political pressures result in a shift in focus from meeting jurisdictional responsibilities to delivering national outcomes. This is best demonstrated by the increasing need for accurate and comprehensive national surveillance information to underpin market access requirements.

This growing emphasis has resulted in Animal Health Australia taking the lead in the development of a national surveillance strategy which will attempt to capture the national priorities via consideration of changing statutory and global demands. This approach will also greatly assist livestock industries in terms of achieving a continued competitive advantage - preferred market access.

## Key Performance Measures

Critical Success Factors	Performance Indicators	Status
1. National coordination of information management	· Development and adoption of the National Data Standards.	· ON TRACK - standards are developed and the focus has moved to implementation
2. National coordination of animal health R&D.	· Conducting field trials utilising new technologies. · Participation in the AB-CRC.	· ACHIEVED · ACHIEVED - ongoing in a number of key areas
3. Reliable livestock identification and traceability.	· Participation in NLIS cattle and sheep management committees. · Surveillance workshops with member organisations. · Management of coordination/ adhoc committees. · Maintenance of the NAHIS, including the production of AHIA2003 and the Animal Health Surveillance Quarterly (AHSQ). · Production of program reports as required (NAMP, NTSESP).	· ACHIEVED · ACHIEVED · ACHIEVED · ACHIEVED · ACHIEVED



## EMERGENCY ANIMAL DISEASE PREPAREDNESS PROGRAM

### **The overriding objective for the Emergency Animal Disease Preparedness Program is for Australia to be recognised by consumers and competitors as world leaders in EAD preparedness and response capability.**

The Emergency Animal Disease Preparedness Program reflects the company's commitment to the importance of Australia's emergency animal disease preparedness to ensuring the future of Australia's livestock industries.

The program coordinates the contributions of governments, livestock industries and other important stakeholders to the national effort and assists them to meet their obligations under the Emergency Animal Disease Response Agreement, with an emphasis on ensuring that Australia's capability to respond to disease incursions is as effective as possible.

The management of the EAD Response Agreement continues to be a major focus for the company. As a "living document", the Agreement is under constant review to meet the needs and expectations of all Parties. This undertaking is a considerable one with the company having prepared and circulated a number of now agreed variations to the agreement arising from

the June 2003 EAD Response Agreement Workshop, along with the delivery of various studies including work on the definition of "normal commitments", i.e. those costs that a State or Territory should consider being normal and the baseline for determining cost-sharing. These issues are complex and require substantial and sustained input from both industry and government parties alike.

The EAD Response Agreement also underpins much of the work carried out in the areas of training and awareness through the National EAD Training Program and the Protect Australian Livestock Campaign and links closely with the ongoing development of the national contingency plan, AUSVETPLAN.

In 2003/04 DAFF initiated and coordinated the establishment of the emergency animal disease Rapid Response Team (RRT) with assistance from Animal Health Australia. The RRT now comprises approximately 40 qualified participants from jurisdictions across the country. During the year RRT members undertook training activities and were involved in two disease simulation exercises in the Northern Territory and Tasmania.

Arising from a resolution of the 2001 FMD/BSE Policy Forum, Animal Health Australia has been progressing arrangements to secure adequate supplies of vaccine in the event of an FMD outbreak in Australia. As at June 2004 negotiations for a supply contract with the preferred supplier had been progressed close to execution.

AUSVETPLAN continues to be a very important resource in Australia's emergency animal disease preparedness. The management of AUSVETPLAN underwent a major review in 2003/04 with the outcome being the endorsement of a new *Publications Management Manual*. This document details procedures for priority setting, review, endorsement and publication.





## The Future

The Normal Commitments Model developed throughout 2003/04 will be presented to the Parties for approval as a variation to the EAD Response Agreement.

Animal Health Australia will also work to finalise the FMD vaccine supply arrangements and the funding agreement to ensure Australia has guaranteed access to a range of vaccine strains in the event of an FMD outbreak.

The process of having the EAD competencies accredited under the national training arrangements has necessitated a restructure and realignment of the current competencies to satisfy requirements.

From July 2004 Animal Health Australia will take on responsibility for the coordination and development of the RRT as well as a new initiative between the Australian Government and livestock industries to train and develop sufficient numbers of Industry Liaison Officers to be deployed in the event of an emergency animal disease incident.

A recommendation from the *Review of Rural Veterinary Services* was the establishment of the Australian Veterinary Reserve, comprising of appropriately trained regional and rural veterinarians to assist in surveillance and emergency animal disease response activities.

Animal Health Australia is working with DAFF to develop and deliver appropriate training and development programs for participants.

## Key Performance Measures

Critical Success Factors	Performance Indicators	Status
1. Custodianship of the EAD Response Agreement	· Maintain the relevance of and commitment to the EAD Response Agreement.	· ACHIEVED
	· Each State/Territory to have a competent, accredited control centre team (including Industry Liaison Officers) by June 2004.	· PROGRESSED - an inventory of trained personnel in all sectors is being developed to determine gaps in future needs. The number of people trained and accredited for control centre roles has been expanded through the Rapid Response Team funding.
	· Animal Health Australia assisting members to prepare, conduct and evaluate two significant exercises nationally each year.	· IN PROGRESS - In 2003/04 major exercises were conducted in the Northern Territory and Tasmania with smaller exercises conducted in all jurisdictions.
	· Conduct a national risk management review of EAD prevention and preparedness by June 2004.	· PROGRESSED - risk management model framework developed for 2005 implementation.
	· Review the adequacy and implementation of member biosecurity plans annually.	· ACHIEVED - via a Biosecurity Reference Planning Group.
	· Conduct and review a public awareness campaign that complements members' initiatives and programs.	· ACHIEVED - via the implementation of the Protect Australian Livestock Campaign.
	· Agreed arrangements for supply and emergency use of vaccines of relevant AUSVETPLAN diseases by June 2004.	· ACHIEVED - contracts scheduled for signing.
	· Review all AUSVETPLAN manuals on a risk priority basis by June 2004.	· ACHIEVED - via the AUSVETPLAN Technical Review Group.



# BUILDING A NATIONAL APPROACH TO ANIMAL AND PLANT HEALTH

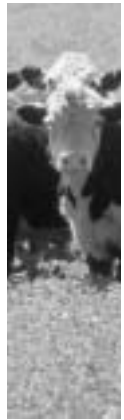
## - AN AUSTRALIAN GOVERNMENT BUDGET INITIATIVE

**The Building a National Approach to Animal and Plant Health program was announced by the Australian Government in the 2000-2001 budget. Funding of \$22.3 million was provided over four years to develop programs to improve Australia's animal and plant health infrastructure and to improve pest and disease prevention and emergency response capacities.**

Animal Health Australia was given prime carriage for a relatively small number of key projects that focus on issues of prevention, preparedness and emergency management as they pertain to animal health issues. Over the life of the program a number of key issues and events such as SARS, avian influenza and BSE incidents across the globe have had a direct bearing on the focus for the execution of these initiatives. In addition, the obligations and issues arising from the now ratified EAD Response Agreement have enabled new and emerging animal health system priorities to be addressed in a proactive and timely way.

During 2003/04 projects focused on:

- 1. FMD Preparedness** - following the adoption of an agreed strategy that would guarantee appropriate access to FMD vaccine in the event of an emergency, Animal Health Australia has been brokering a commercial access and supply agreement on behalf of industry and government. It is anticipated these arrangements will be finalised during the first quarter of 2004/05. Animal Health Australia will now review current use protocols and review, research and propose new protocols for the use of the vaccine in Australia for eventual incorporation into AUSVETPLAN.
- 2. AUSVETPLAN** - the basis for Australia's national response to emergency animal disease incidents was established in the early 1990s with the development of AUSVETPLAN, a comprehensive set of documents detailing generic response management processes, general purpose procedures and disease specific response arrangements for all Office International des Epizooties (OIE) List A diseases as well as a number of List B diseases of particular interest to Australia. Following the endorsement and implementation of a revised publication management process Animal Health Australia is now undertaking a web-enabling project to streamline AUSVETPLAN for both users and contributors.



### 3. EAD Response Agreement Workshop II

- following ratification of the EAD Response Agreement in 2002 Animal Health Australia sought funding for a number of specific projects to ensure the currency of the EAD Response Agreement was maintained. This is an ongoing process and an essential part of ensuring the effectiveness of the EAD Response Agreement. The second in a series of scheduled workshops to consider opportunities to improve the relevance and acceptance of the agreement was conducted in June 2004.

### 4. Normal Commitments / National Animal Health Performance Standards Benchmarking

- one of the key issues arising from consideration of the EAD Response Agreement was the determination of what constituted "normal commitments" for all parties. Both the normal commitment aspects of the Agreement and the National Animal Health Performance Standards require the development of benchmarks against which jurisdictions and livestock industries can assess their current capabilities and develop and measure improvement initiatives.

The company managed a consultancy to develop a model for determining "normal commitments" under the EAD Response Agreement and initiated the second stage of the same work to apply national risk management standards to determining EAD response resource requirements.

### 5. Public Relations Officer -

**Development and Training** - Animal Health Australia has commissioned the development of a specific training package for the EAD Role Competency, *Public Relations Officer in a Local or State Disease Control Centre*, utilising existing competencies and reflecting recent and impending changes to both the AUSVETPLAN Public Relations Manual and various State, Territory and Australian Government plans and strategies. The new package was piloted in June 2004 with a national roll out planned for the first half of the 2004/05 operating period.

### 6. National Disease Risk Mitigation/ Biosecurity Reference Planning Group

- this project followed previous Commonwealth Budget Initiative support for national disease risk mitigation that was incorporated into the EAD Response Agreement. The project set out to ensure all members adopt and apply appropriate biosecurity plans to mitigate risk within their respective industry or jurisdiction. A Biosecurity Planning Reference Group was established to assist with this process with a view to ensuring improved national biosecurity implementation.

### 7. Biosecurity Training for Producers -

- in an effort to support the endeavours of peak industry councils in ensuring the implementation of on-farm biosecurity plans Animal Health Australia developed a pilot workshop to deliver direct biosecurity training to producers. Recognising that individual producer awareness and the ability to implement biosecurity on farm is critical to successful risk mitigation the workshop is currently undergoing pilots across the country and will be rolled out nationally following critical evaluation.

### 8. National Animal Health Committee Carcass Disposal Reference Working Group

- this project follows previous Commonwealth Budget Initiative support for Australian studies into carcass disposal, a critical issue during the FMD outbreaks in 2001.

The project aims to ensure there is a nationally coordinated approach for considering planning and preparedness activities associated with carcass disposal. Encompassing the outcomes of Australian research studies and international information developed through a Quadrilateral Alliance (Australia, New Zealand, Canada, United States) via an Animal Health Committee Carcass Disposal Reference Working Group, the project is set to establish a national approach for consideration of carcass disposal and its application into national, state, regional and enterprise contingency planning.



## NATIONAL JOHNE'S DISEASE PROGRAMS

### THE NATIONAL JOHNE'S DISEASE PROGRAM

The National Johne's Disease Program is the overarching program for all Johne's disease activities outside of the National Approach to the Management of OJD in Australia and the National BJD Strategic Plan. Johne's disease is infecting an increasing number of livestock including goats, alpaca and deer and the objective of the program is to minimise the impact of the disease on the livestock industries and to increase trading opportunities for affected producers. The Johne's Disease Market Assurance Programs (MAP) are the major activity undertaken to help achieve this objective.

### NATIONAL OVINE JOHNE'S DISEASE CONTROL AND EVALUATION PROGRAM

The six year National Ovine Johne's Disease Control and Evaluation Program (NOJDP) aimed to achieve a better understanding of ovine Johne's disease (OJD) in Australia with its primary focus on answering some of the critical questions on OJD in an effort to assist sheep producers and governments make informed decisions on how to deal with OJD in the long term.

2003/04 was the final year of the NOJDP. As a result of this program, industry has a better understanding of the extent and impact of OJD on the national sheep industry and has identified ways to better manage it.

Throughout the NOJDP the focus remained on determining key aspects of the disease and its distribution in Australia whilst exploring the best methods of disease management, surveillance and the exploration of opportunities through a coordinated research and development program managed by Meat and Livestock Australia.

Establishing the true status of regions which are believed to be free of OJD or have very limited numbers of infected

properties also remained a high priority throughout the life of the program with the NOJDP progressively increasing its broad surveillance activities through abattoir monitoring, pooled faecal culture testing and an ongoing Market Assurance Program (MAP).

### The Future

A follow-on program, the National Approach to the Management of OJD in Australia (NAOJD) commenced on 1 July 2004. The NAOJD will operate for an initial two years with a major review scheduled for July 2006. Animal Health Australia will continue to manage the program on a national level with the States having a greater involvement in the management of the operational aspects.

The objectives for the NAOJD are:

1. Areas which are currently free of disease should remain free.
2. Area prevalence to be maintained or reduced for the Very Low Prevalence, Low Prevalence and Medium Prevalence Areas.
3. Area prevalence to be reduced in high prevalence areas such that prevalence area status may be reviewed in the longer term.

The NAOJD replaces a regulated control system with a deregulated management system where individual producers assume responsibility for managing the risk of OJD within their own flock. The NAOJD is underpinned by abattoir surveillance and the adoption of risk based trading through the Assurance Based Credit (ABC) Scheme. The ABC Scheme allocates points to a consignment of sheep on the basis of the relative risk that they have OJD. A base score for a flock is derived from the Prevalence Area for the region in which the flock is located and this is determined principally from abattoir surveillance data collected in the previous two years. Additional credit points may be gained by testing lines of sheep, vaccination and participation in the Market Assurance Programs.

### NATIONAL BOVINE JOHNE'S DISEASE STRATEGIC PLAN

The National Bovine Johne's Disease (BJD) Strategic Plan was formally endorsed by industry and government parties in September 2003. A national approach to BJD management is necessary to reduce the spread of BJD to uninfected parts of the country. National eradication of BJD however is not technically feasible or economically justified in the foreseeable future but specific areas and individual herds or regions may eradicate infection to retain or progress to free status.

BJD was previously managed under the NJDCP however the Strategic Plan will be managed as a separate program.

The Strategic Plan is intended to be a living document with regular revisions, with a National BJD Steering Committee being established to review the progress of activities and help determine priorities on an annual basis.



2003/04 saw the implementation of the national approach with a number of major achievements recorded throughout the year. These included:

1. The establishment of a National Dairy BJD Assurance Score with the full support of all stakeholders.
2. A number of pilot "Beef Only" Sales being trialled in Victoria as a new herd category to help assure cattle buyers about the very low risk of BJD in beef herds that have had little or no contact with dairy herds. "Beef Only" has been widely accepted in Victoria as a designated classification and the broader implementation of this classification is under consideration in NSW.
3. Development of Financial and Non-financial Assistance Packages for owners of beef cattle infected with BJD was endorsed by all stakeholders for implementation from July 2004.
4. A number of R&D projects commenced, including determining the occurrence of *Mycobacterium paratuberculosis* in raw silo milk and pasteurised milk and a risk analysis of *Mycobacterium paratuberculosis* in meat and protocols for meat testing.



### The Future

The first revision of the National BJD Strategic Plan will take place in July 2004 with an amended plan being circulated to all Parties for endorsement. Activities will continue to be undertaken on a risk priority basis.



## NATIONAL ARBOVIRUS MONITORING PROGRAM

**The National Arbovirus Monitoring Program (NAMP) is jointly funded by industry and government and monitors the geographic distribution and strain types of economically important insect-borne viruses of livestock and their vectors throughout the year.**

Australia has a number of arboviruses transmitted by insects which are important for international trade because of their potential to cause livestock disease under certain circumstances. In Australia, these viruses include Akabane, bovine ephemeral fever and bluetongue. Unlike some other countries, bluetongue viruses in Australia are not associated with disease in livestock. Monitoring for more than 20 years has shown that these viruses and their vectors are confined by climatic and geographic factors to northern and eastern parts of Australia.

The objectives of the program are to provide trade support for the sheep and cattle industries by supplying technical information to meet Biosecurity Australia requirements for export protocol negotiations and assist exporters in meeting export certification requirements; to detect new incursions of bluetongue in the north and provide early warning of any southern spread of the strains present; and to provide expert advice to producers and exporters with regard to arboviruses.

During 2003/04 the NAMP continued to update and define the bluetongue zones

as new detections occurred and in doing so maintained the early warning capacity for incursions of new strains of bluetongue in northern Australia. This information was provided to Biosecurity Australia to feed into protocol negotiations with importing countries.

The program engaged an independent consultant to review the processes for the future use of NAMP information. NAMP stakeholders also participated in the 2003 International Bluetongue Symposium to promote Australia's system of arbovirus monitoring as world's best practice

### **The Future**

The National Arbovirus Monitoring Program will continue to focus on the maintenance of the early warning capacity and the fine tuning and maintenance of the bluetongue zones.

# TRANSMISSIBLE SPONGIFORM ENCEPHALOPATHIES FREEDOM ASSURANCE PROGRAM



**The Transmissible Spongiform Encephalopathies Freedom Assurance Program (TSEFAP) seeks to integrate a range of transmissible spongiform encephalopathies (TSEs) measures into one program with clear and nationally integrated operational components and a transparent funding framework.**

Australian, State and Territory governments, together with the sheep and cattle industries, meat processors, renderers, and stock feed manufacturers agreed to commence the TSEFAP effective January 1 2004. Prior to this, national coordination of animal TSE surveillance and management measures was restricted to the National Transmissible Spongiform Encephalopathies Surveillance Program. Therefore, the scope and existence of all other TSE activities was not readily apparent to trading partners. Acknowledging the increased risk and market expectations to prove freedom from TSEs globally the TSEFAP sets out to clearly articulate Australia's favourable trading status.

The TSEFAP is a collaborative program with the following operational components:

1. Active TSE surveillance (current NTSESP).
2. Ruminant feeding restrictions, including audit, feed sampling and testing.
3. Imported ruminant surveillance, including buy-back schemes for certain imported cattle.
4. Surveillance and management of designated imported zoo animals.

5. Communications, including the production of advisory material for industry.
6. Research and development, including validation, adoption and technology transfer of diagnostic tests and investigating strategies for enhanced surveillance.

The NTSESP has delivered surveillance for TSEs in cattle and sheep to OIE requirements for animals with neurological symptoms. In addition, in 2003/04 an extra 400 "downer" animals were included as part of the NTSESP primarily to maintain accreditation for recently adopted testing methods.

Tracing schemes have been established to offer owners of cattle imported from countries with recorded cases of BSE in native-born cattle to either have the animals destroyed with compensation or maintained under lifetime quarantine to ensure they do not enter the human food or animal feed chains.

A tracing scheme for cattle imported from Canada has been finalised with a tracing scheme for cattle imported from USA underway. In addition national protocols to address TSEs in zoo animals have been introduced and the development of a new test to identify mammalian protein in animal feeds has been prepared.

The TSEFAP has continued to facilitate research to review the use of "TSE Rapid Test" in Australian conditions and in doing so has ensured open and effective communication between industry and government stakeholders.

## The Future

Animal Health Australia has taken over responsibility of feedban audits with the initial task of revising the guidelines to ensure they deliver to national requirements and coordinate implementation of the revised standards.

The company is also in the process of scoping a project looking at requirements for rapidly upscaling surveillance for TSEs. As part of the communications strategy a web site will be built which will contain information about the full range of TSE activities being undertaken in Australia.



## TUBERCULOSIS FREEDOM ASSURANCE PROGRAM 2

The Tuberculosis Freedom Assurance Program 2 (TFAP2) is the final national program dedicated to addressing the eradication of bovine tuberculosis (TB) in Australia.

The objectives of TFAP2 are to maintain Australia's Free Area status for TB through continuing surveillance, eliminating any future cases if discovered and to ensure an orderly conclusion to the formal national approach, scheduled for 2006. Post 2006 arrangements will see TB surveillance activities managed under the Animal Disease Surveillance Program and reported through the National Animal Health Information System.

TFAP2, which commenced in January 2003, is funded by government and industry parties via a formal Deed of Agreement, inclusive of a commitment to a \$20 million budget over the life of the program.

Throughout 2003/04 the TFAP2 Coordination Committee has met and put in place a range of strategies to address the program objectives. These strategies include:

1. Revising the provision of reference laboratory services and maintenance of the national TB culture collection to the end of TFAP2 and beyond.
2. The ongoing development of a TB Response Manual and maintenance of a TB Case Register.
3. Ensuring the legislative requirements needed by jurisdictions to adequately address a case of TB post 2006 are in place.
4. Ensuring there are mechanisms in place to fund compensation for any eradication activities that might occur post 2006.

### The Future

Work will continue on key activities to ensure that TB surveillance and reporting continues at the conclusion of the national program in 2006. This includes the finalisation of the *TB Response Manual* and addressing required amendments to State legislation should incidences of TB occur.

A mid term review of TFAP2 has been scheduled for 2004/05 to ensure the objectives of the program are achieving the desired outcomes and to ensure that changing market access issues are being addressed.



CORPORATE GOVERNANCE





## CORPORATE GOVERNANCE

### Role of the Board

The Board's primary role is to set and monitor the implementation of Animal Health Australia's strategic direction, and to vary that direction as circumstances dictate.

To fulfil this role, the Board is responsible for corporate governance including the company's strategic direction, establishing goals for management and monitoring the achievements of these goals.

This does not include involvement in day-to-day management, but it does require the Board's comprehensive understanding of the company's:

- business, its competitive environment and the principal risks to which it is exposed
- members and other stakeholders and their interests in the company
- community and social position
- legal environment
- statutory compliance regime
- major risks.

### Board Processes

the Board has established two standing committees, an Audit and Risk Management Committee and a Corporate Governance Committee. Each committee has a documented charter, which is reviewed on a regular basis. The effectiveness of each committee is constantly monitored. The Board has established a framework for the management of the company including a comprehensive policy and procedure manual covering all aspects of business operations, a formal project management system, including risk management and the establishment of appropriate ethical standards.

The Board may also establish ad hoc committees to deal with specific matters.

The full board holds six meetings each year, and may also meet in conjunction with a Special General Meeting held mid year and an Annual General Meeting generally held in December. It may also meet by telephone at other times as necessary to address any significant matters that may arise.

The Chairman and Chief Executive Officer prepare the agenda for meetings. Standing items include directors' reports, CEO's report, financial report, strategic matters, governance and compliance as well as specific reports on the key aspects of programs and projects. Agenda papers are circulated seven working days in advance. The CEO and other senior managers are regularly involved in board discussions and Directors have opportunities, including visits to the company's office, for contact with other employees.

The Board conducts an annual review of its processes to ensure that it is able to carry out its functions in the most effective manner.

## Composition of the Board

The names of the Directors of the company at the date of this statement are set out in the Directors' Report.

The composition of the Board is determined in accordance with the company's constitution.

- The Board comprises seven non-executive directors including the Chairman.
- Directors are appointed for a three year term and are eligible for re-appointment.
- New nominations to positions of director are subject to election at the following Annual General Meeting.
- Directors are selected by an independent Selection Committee as defined in the company's constitution to incorporate a broad matrix of skills including:

1. Knowledge of and expertise in the extensive livestock production sector
2. Knowledge of and expertise in the intensive livestock production sector
3. Expertise in the processing marketing sector, with a strong understanding of major export markets for livestock and their products
4. Understanding of industry organisational arrangements, networks and interfaces with government
5. Knowledge of and expertise in government policy and its development
6. Expertise and technical qualifications in the delivery of animal health services

7. Expertise in quality management approaches to animal health
8. Strategic planning expertise
9. Economic expertise
10. Financial management expertise
11. Corporate governance expertise.

The composition of the Board is reviewed annually by a selection committee in consultation with the Chairman and members to ensure it has the appropriate mix of expertise and experience. Two vacancies occur each year and the committee nominates two candidates with the appropriate expertise and experience who must stand for election by members at the Annual General Meeting. Every third year the committee nominates a candidate for Chairman.

## Conflict of Interest

In accordance with the Corporations Law and the company's constitution, directors must declare on an ongoing basis any interest that could potentially conflict with those of the company. Where the Board believes a significant conflict exists, the director concerned may not receive the relevant board papers and could be asked to leave the meeting while the item is considered. The Board has procedures to assist directors disclose potential conflicts of interest.

## Selection Committee

The Selection Committee membership is defined in the company constitution, and comprised the following members during the 2003/04 reporting period. None of the members are directors of the company.

**Mr Murray Rogers AO** (Chairman)

**Mr Wayne Cornish** (representative of the President of the National Farmers' Federation)

**Mr Michael Taylor** (Chairman of the Primary Industries Standing Committee)

**Dr Richard Sheldrake** (representative of the States and Territories)

The Selection Committee meets annually with the selection process concluding in October with advice to the Board of nominations. The terms and conditions included in the appointment letter cover the following matters:

- details of the induction process
- current remuneration and the manner in which it is determined
- the term of the appointment
- the expectation of the Board in relation to attendance and preparation for board meetings
- procedures to manage potential conflicts of interest
- the availability of independent professional advice
- access to the company's employees and information
- a copy of the *Director's Handbook*.

The Chairman reviews the performance of all directors each year, and the Board itself undergoes a performance review process.





### Board Charter

All responsibility and activities of the Board are covered in depth in a Board Charter adopted by the Board in February 2004. This document is incorporated into the *Director's Handbook* and provides a comprehensive guide to directors on all aspects of corporate governance.

### Director Induction and Education

The company has a formal process to educate new directors about the nature of the business, current issues, the corporate strategy and the expectations concerning performance of directors.

New directors are introduced through a comprehensive induction program, based on the *Director's Handbook*. The objective is to provide the new director with:

- The *Director's Handbook* and any other documents necessary to equip the director for his or her role, such as board minutes and papers for the last three meetings.
- A thorough briefing by the Chairman and the Chief Executive Officer (and other senior managers where appropriate) on the company's strategic and operational status, and business and legal environments, members and their interests in the company, the Board's operations, including committees and specialist advisors.
- Briefings on:
  - the company and the *Director's Code of Conduct*
  - Animal Health Australia's management of legal risks applying to itself and its directors
  - director's protections under relevant directors and officers insurance.

### Independent Professional Advice and Access to Company Information

Each director has the right of access to all relevant company information and to the company's executive and, subject to prior consultation with Chairman, may seek independent professional advice at the company's expense.

### Audit and Risk Management Committee

The role of the Audit and Risk Management Committee is documented in a charter, which is approved by the Board.

The Audit and Risk Management Committee was established to give additional assurance regarding the quality and reliability of financial information and operating controls used by the company.

The members of the Audit and Risk Management Committee during the year were:

Mr Peter Milne (Chairman)

Mr Tim Roseby

Mr Michael Nicholls

Associate Professor Andrew Vizard

The Chief Executive Officer acts as secretary to the Committee, and the Company Secretary, directors, and external auditors are given notice of all meetings and have the right to attend and speak. The committee met five times during the year.

The responsibilities of the Audit and Risk Management Committee include:

- reviewing financial statements and other financial information distributed externally ensuring the application of relevant Australian accounting standards to Animal Health Australia's financial management and reporting
- reviewing the company's financial delegations
- identifying significant financial risks and making recommendations for their management
- monitoring corporate risk assessment and the internal controls and operating controls instituted including reviewing and reporting on the validity of the company's *Risk Management Matrix* and its application to each program, areas of non-compliance and the actions taken or proposed to rectify concerns
- monitoring the establishment of an appropriate internal control framework (including information systems) and considering enhancements
- reviewing internal and external audit reports to ensure that where major deficiencies or breakdowns in controls or procedures have been identified, appropriate and prompt remedial action is taken by management
- reviewing the nomination and performance of the external auditors
- initiating and supervising special investigations related to financial and risk management matters
- monitoring procedures in place to ensure that the company is in compliance with the Corporations Law

- reviewing reports on any major defalcations, frauds and thefts from the company
- reviewing policies to avoid conflicts of interest
- reviewing related party transactions and considering the adequacy of disclosure of those transactions in the financial report
- reviewing significant transactions, which are not a normal part of the company's business
- reviewing reports on the adequacy of insurance coverage
- reporting to the Board on risks associated with Animal Health Australia's operations within its legal environment.

The Audit and Risk Management Committee annually reviews the performance of the external auditors and meets with them prior to the audit to:

- discuss the external audit plan
- discuss any significant issues that may be foreseen
- discuss the impact of any proposed changes in accounting policies on the financial statements
- review the nature and impact of any changes in account policies adopted by the company during the year
- review the proposed letter of engagement
- make recommendations to the Board for the approval of the audited final report prior to the lodgement with the Australian Securities and Investment Commission (ASIC) and publication in the company's annual report.

The committee also meets at other times during the year to address specific issues referred by the full board and to review financial reports prior to presentation to the Board.

### Internal Control Framework

The Board acknowledges that it is responsible for the overall internal control framework but recognises that no cost effective internal control system will preclude all errors and irregularities. The system is based upon written procedures, policies and guidelines, division of responsibility, and the careful selection and training of qualified personnel.

- Financial reporting - there is a comprehensive annual budgeting process with an annual budget recommended by the Directors to the members for their approval at a Special General Meeting held in June each year. Actual results are reported against budget and revised forecasts for the year are prepared for each meeting of the Board.
- Continuous disclosure - the company has a policy that all members have equal access to the company's information and provides a comprehensive summary via the company business plan that is reviewed annually.
  - The CEO, the Director Programs and the Company Secretary are responsible for interpreting the company's policy and where necessary informing the Board.
  - The Company Secretary is responsible for all communications with ASIC.

- Quality and integrity of personnel - the company's policies are detailed in an *Employee and Workplace Standards Procedural Manual*. Formal appraisals are conducted at least annually for all employees.
- Operational controls - financial controls and procedures including information systems controls are detailed in procedures manuals.
- Expenditure appraisals - the company has a clearly defined policy on authorisation and delegations for expenditure. These include levels of authority and due diligence requirements for purchase of goods and services.

### Business Risk Management

The Audit and Risk Management Committee provides advice to the Board and reports on the status of business risks through integrated risk management programs aimed at ensuring risks are identified, assessed and appropriately managed. Major business risks arising from matters such as government policy changes, the impact of programs and projects managed for members and development and use of information systems.

The company's risk management policies and procedures cover environment, occupational health and safety, property, financial reporting and internal control. Each program manager is responsible and accountable for implementing and managing the required standards via a formal risk assessment process based on the *Australian Risk Management Standard AS/NZS A360:1995* that is included in the company's project management procedures.





Training and development and appropriate remuneration and incentives with regular performance reviews create an environment of cooperation and constructive dialogue with employees and senior management.

Comprehensive practices are established and included in the company's policy and procedure manuals such that:

- all unbudgeted expenditure and commitments require prior board approval
- financial exposures are controlled
- investment of funds is governed by a specific investment policy that is conservative and allows for appropriate spread between institutions
- occupational health and safety standards and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations
- business transactions are properly authorised and executed.

### Corporate Governance Committee

The Corporate Governance Committee was established to provide additional assurance that the company's governance arrangements provide an optimum effective working partnership between the Board and management.

Members of the Corporate Governance Committee during the year were:

Mr Michael Nicholls (Chairman)

Dr Roly Nieper

Mr Reg Smith

Mr Ralph Hood (CEO)

The Company Secretary is appointed as secretary to the committee. The Chief Executive Officer and directors are given notice of all meetings and have the right to attend and speak. The duties of the Corporate Governance Committee include making recommendations to the Board regarding:

- the compliance of the company with the statutory and broad corporate governance requirements agreed annually by the Board
- monitoring of strategic planning processes to ensure an effective and proactive involvement of board, management and members
- review of policy development and implementation essential to company operations
- the effectiveness of monitoring and reporting mechanisms to the Board
- performance review of the Board and management in delivery of agreed outcomes
- monitoring communication with members and related stakeholders.

### Ethical Standards

The company has documented standards that each director, manager and employee of the company is expected to operate within. The requirement to comply with these ethical standards is communicated to all employees. The standards deal with the following main areas:

- professional conduct
- dealing with members and stakeholders
- dealing with suppliers
- dealing with the community
- dealing with other employees.

Directors, managers and employees are expected to strive at all times to enhance the reputation and performance of the company. Every employee has a nominated supervisor to whom they may refer any issues arising from their employment. The Board reviews the employee manual regularly and processes are in place to promote and communicate these policies.

## Reporting on Contracts and Tenders

Animal Health Australia has adopted the following policy on contracting and tendering.

All contracts exceeding \$5,000 in value are subject to competitive quotation. Contractors for services of value less than \$20,000 are sought from no less than three potential contractors based on knowledge and experience of their capabilities except where board resolution specifically excludes this requirement. Where proposed expenditure exceeds \$20,000, an open contracting process involving advertisement in appropriate newspapers is used to seek competitive quotations. A competitive tender according to a documented tendering process approved by the Board is used for major service contracts.

All members are advised of contracts and tenders of value greater than \$20,000 and are eligible to submit an expression of interest or tender for such services.

During 2003/04 the following services of value greater than \$20,000 were the subject of contractual arrangements.

Service	Contractor
Provision of consultancy services - Protect Australian Livestock Campaign	Sefton and Associates Pty Ltd
Provision of information management and epidemiological advice to the National Arbovirus Monitoring Program	Ausvet Animal Health Services Pty Ltd
Project management services for scope of work for the Screw Worm Fly Preparedness Strategy - Stage 2	Dr J C Walthall
National Johne's Disease Coordinator and the Ovine Johne's Disease Operations Coordinator	Ausvet Animal Health Services Pty Ltd
Provision of editing services for AUSVETPLAN	Biotext Pty Ltd
Financial and Non Financial Assistance Measures - BJD	Hassall and Associates Pty Ltd
Provision of services for the Australian Reference Laboratory for bovine tuberculosis	Department of Agriculture, Government of Western Australia
Acting Manager, Johne's Disease	Animal Health Consultancy Services
Bovine Johne's Disease Risk Assessment Protocol for beef herds	Hassall and Associates Pty Ltd
Development of Improved Tools for Rapid Diagnosis and Molecular Epidemiology of Tuberculosis	Meat and Livestock Australia Limited
Johne's Disease MAP / APAV Database Enhancement Project	One Planet Solutions Pty Ltd
Rapid Response Team	Department of Agriculture, Fisheries and Forestry
Manage, conduct and report an independent audit of JD assessed herds and flock using the Market Assurance Program	Aus-Meat Limited
National Emergency Disease Training Coordinator	EAD Consultants
Updating the EAD Response Agreement	Geoff Neumann and Associates
Research and Development Project Agreement	Meat and Livestock Australia Limited





### Contingency Fund Management

Animal Health Australia provides administrative services for two companies established specifically for the purposes of managing contingency funds for emergency animal disease incidents.

The Cattle Disease Contingency Fund Pty Ltd was established in February 2002 by the Cattle Council of Australia, the Australian Lot Feeders Association and Animal Health Australia. The company was appointed to act as Trustee for the Cattle Disease Contingency Fund. This fund supports various animal health related activities that are of benefit to the cattle industry in Australia.

The Honey Bee Disease Contingency Fund Pty Ltd was established in May 2003 by the Australian Honey Bee Industry Council and Animal Health Australia. The company was appointed to act as Trustee for the Honey Bee Disease Contingency Fund. This fund will be used for any activity associated with honey bee pests and diseases and their management and eradication of which the Trustee considers is likely to benefit or enhance the Australian honey bee industry.

### The Role of Members

The Board of directors aims to ensure that members are informed of all major developments affecting the company. Information is communicated as follows:

- The Animal Health Australia Annual Report is distributed to all members. The Board ensures that the report includes relevant information about the operations of the company during the year, significant changes in the state of affairs of the company and disclosures required by the Corporations Law. The Board also ensure that the full annual financial report is available to all members.
- Notices of all meetings of members.
- Information and planning meetings are held in conjunction with general meetings to provide members with information and an opportunity to meet directors and senior management. Specific meetings of members associated with program management are also held to provide opportunities for the Board to provide its strategic vision to members and allow their input in determining operational priorities.

All documents that are released publicly are made available on the company's web site at <<http://www.aahc.com.au>>.

The Board encourages full participation of members at the Annual General Meeting to ensure a high level of accountability and identification with the company's strategy and goals. Full participation is also encouraged at a Special General Meeting held by the company in June each year and at which the Business Plan is presented for the following three years and subscription levels are agreed on by members for the upcoming financial year.

Members are requested to vote on the appointment and aggregate remuneration of directors, changes to the constitution, the appointment of auditors and other key issues. Copies of the constitution are available to any member who requests it.





ANNUAL FINANCIAL REPORT

# DIRECTORS' REPORT

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED ABN 86 071 890 956

The Directors present their report together with the financial report of the Australian Animal Health Council Limited ("the Company") for the year ended 30 June 2004 and the auditor's report thereon.

## DIRECTORS

The names of the Directors of the Company at any time during or since the end of the financial year are:

### Dr Raoul Nieper

Chairman

Director of the Company since 22/10/98

Member Corporate Governance Committee

### Mrs Keryl Enright

Director of the Company since incorporation

Resigned 4/12/03

### Mr Peter Milne

Director of the Company since 7/11/02

Chairman Audit and Risk Management Committee

### Mr Michael Nicholls

Director of the Company since 22/10/98

Chairman Corporate Governance Committee

Member Audit and Risk Management Committee

### Mr Tim Roseby

Director of the Company since 19/11/97

Member Audit and Risk Management Committee

(Deceased 19/08/04)

### Mr Reginald Smith

Director of the Company since 7/11/02

Member Corporate Governance Committee

### Mr Roger Smith

Director of the Company since 8/11/01

### Associate Professor Andrew Vizard

Director of the Company since 4/12/03

## Directors' Meetings

The number of Directors' meetings and the number of meetings attended by each of the Directors of the Company during the financial year are:

	Board Meetings		Audit & Risk Management Committee		Corporate Governance Committee	
	No. of Meetings Held*	No. of Meetings Attended	No. of Meetings Held*	No. of Meetings Attended	No. of Meetings Held*	No. of Meetings Attended
Dr Raoul Nieper	7	7	-	-	3	3
Mrs Keryl Enright	3	3	-	-	-	-
Mr Peter Milne	7	7	5	5	-	-
Mr Michael Nicholls	7	7	4	3	3	3
Mr Tim Roseby	7	6	5	5	-	-
Mr Reginald Smith	7	7	-	-	3	3
Mr Roger Smith	7	6	-	-	-	-
Associate Professor Andrew Vizard	4	4	1	1	-	-

\*reflects the number of meetings held during the time the director held office during the year.

## Result

The net operating surplus of the Company for the year ending 30 June 2004 was \$486,918. (2003: \$226,520).

## Principal Activity

The principal activity of the Company during the year was that of a national animal health body with a role of maintaining acceptable national health standards which meet consumer needs and market requirements in Australia and overseas.

## Review of Operations

The Company's surplus during the year was the result of an unbudgeted increase in interest income together with a decreased level of expenditure across Subscription Funded Programs. Special Funded Programs showed an increased level of expenditure, but these were all fully funded. The actual surplus was measured against a break even budget for the year and compares to a surplus reported in the previous year.



### Environmental Regulation

The Company's operations are not believed to be subject to any environmental regulations. The Directors are not aware of any material breaches of any environmental regulations during the year.

### State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review, not otherwise disclosed in this report or the financial report.

### Events Subsequent to Balance Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

### Likely Developments

Conditions pertaining to the financial year ended 30 June 2004 are expected to continue over the next twelve months. The expansion of the Company's activities is a result of taking strategic management of a number of Special Programs. Consequently, the Directors anticipate that the operations and results for the forthcoming financial year will be stable.

### Directors' Interests and Benefits

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors shown in the financial statements) by reason of a contract made by the Company or a related company with a director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

### Indemnification and Insurance of officers and auditors

Since the end of the previous financial year, the Company has paid insurance premiums totalling \$10,121 on behalf of its Directors and officers. The insurance policy relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The premiums were paid in respect of the Directors of the Company listed in the report.

Signed in accordance with a resolution of the Directors:

Canberra 30 September 2004

**Raoul Nieper**  
Director

**Peter Milne**  
Director

**AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
 FOR THE YEAR ENDED 30 JUNE 2004

	Notes	2004 \$	2003 \$
<b>REVENUE FROM ORDINARY ACTIVITIES</b>			
Members contributions – Subscription Funded Programs		2,867,663	2,879,377
Members contributions – Special Programs		5,279,425	4,418,660
Interest received		382,848	182,823
Other income	2	62,967	24,324
		<b>8,592,903</b>	<b>7,505,184</b>
<b>LESS: EXPENSES FROM ORDINARY ACTIVITIES</b>			
Emergency Animal Disease Preparedness Program		1,109,883	1,073,393
Animal Health Services Program		207,543	249,029
- Accreditation Program for Australian Veterinarians		48,134	35,144
Animal Disease Surveillance Program		249,416	254,764
-National Animal Health Information System		325,816	351,222
Other Subscription Funded Projects		63,943	33,366
Strategic Planning		40,430	101,888
Board		331,648	345,255
Company Management		305,027	287,291
Communications and Member Services		144,720	128,652
Special Programs		5,279,425	4,418,660
		<b>8,105,985</b>	<b>7,278,664</b>
<b>NET SURPLUS/(LOSS) FROM ORDINARY ACTIVITIES</b>			
<b>BEFORE INCOME TAX EXPENSE</b>	3	<b>486,918</b>	<b>226,520</b>
Income tax attributable to operating profit	1 (c)	-	-
<b>SURPLUS/(LOSS) FROM ORDINARY ACTIVITIES</b>			
<b>AFTER INCOME TAX</b>		<b>486,918</b>	<b>226,520</b>

*The Statement of Financial Performance is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 43-54.*

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED  
**STATEMENT OF FINANCIAL POSITION**  
AS AT 30 JUNE 2004



	Notes	2004 \$	2003 \$
<b>CURRENT ASSETS</b>			
Cash	4	20,003,709	16,607,030
Receivables	5	889,494	700,313
Other	6	32,758	29,977
<b>TOTAL CURRENT ASSETS</b>		<b>20,925,961</b>	<b>17,337,320</b>
<b>NON CURRENT ASSETS</b>			
Property, plant & equipment	7	28,606	42,385
<b>TOTAL NON-CURRENT ASSETS</b>		<b>28,606</b>	<b>42,385</b>
<b>TOTAL ASSETS</b>		<b>20,954,567</b>	<b>17,379,705</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable and accruals		1,100,612	1,975,418
Subscription funding in advance		97,935	-
Unallocated levy funds	8	11,525,225	9,038,011
Unapplied special program funds	9	6,642,352	5,268,485
Provisions	10	46,873	43,139
<b>TOTAL CURRENT LIABILITIES</b>		<b>19,412,997</b>	<b>16,325,053</b>
<b>TOTAL LIABILITIES</b>		<b>19,412,997</b>	<b>16,325,053</b>
<b>NET ASSETS</b>		<b>1,541,570</b>	<b>1,054,652</b>
<b>MEMBERS' EQUITY</b>			
Retained surplus	16	1,541,570	1,054,652
<b>TOTAL MEMBERS' EQUITY</b>		<b>1,541,570</b>	<b>1,054,652</b>

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 43-54.



AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED  
**STATEMENT OF CASH FLOWS**  
 FOR THE YEAR ENDED 30 JUNE 2004

	Notes	2004 \$	2003 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations		13,333,064	14,197,864
Cash payments in the course of operations		(10,317,999)	(8,515,145)
Interest received		382,848	182,823
<b>Net cash provided by operating activities</b>	<b>17(b)</b>	<b>3,397,913</b>	<b>5,865,542</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(1,234)	(18,841)
Net cash used in investing activities		(1,234)	(18,841)
Net cash increase / (decrease) in cash held		3,396,679	5,846,701
Cash at the beginning of the financial year		16,607,030	10,760,329
<b>Cash at the end of the financial year</b>	<b>17(a)</b>	<b>20,003,709</b>	<b>16,607,030</b>

*The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 43-54.*



## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

---

The significant policies which have been adopted in the preparation of this financial report are as follows:-

### (a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

It has been prepared on the basis of historical costs and, except where stated, does not take into account changing money values or fair values of assets.

The accounting policies have been consistently applied and, except where there is a change in accounting policy, are consistent with those of the previous year.

### (b) REVENUE RECOGNITION

#### Members' Contributions – Subscriptions Funded Programs

Contribution fees from Members are recognised as revenue when the fee is receivable.

#### Members' Contributions – Special Programs

Special Program Funding is recognised as revenue when it is applied to fund Special Program expenditure actually incurred.

#### Interest Income

Interest income is recognised as it accrues.

#### Interest Income on Unallocated Levy Funds

Interest income earned on unallocated levy funds is credited direct to those funds and is recognised as revenue when levy funds are allocated on behalf of livestock industry Members towards subscription funding, special program funding or other animal health initiatives or projects.

#### Other Revenue

Other revenue includes miscellaneous items. Such revenue is recognised as it accrues.

### (c) INCOME TAX

Under the provisions of Section 50-1 and 50-40 of the Income Tax Assessment Act 1997, as amended, the Company is eligible for exemption from income tax and currently no tax provision has been provided for in the accounts. Such eligibility is reviewable by the Australian Taxation Office from time to time.

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2004

**(d) GOODS AND SERVICES TAX**

Revenues, expenses and assets are recognised net of the amounts of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**(e) RECOVERABLE AMOUNT OF NON-CURRENT ASSETS VALUED ON COST BASIS**

The carrying amounts of non-current assets are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is recognised as an expense in the reporting period in which it occurs.

In assessing recoverable amounts of non-current assets the relevant cash flows have not been discounted to their present values, except where specifically stated.

**(f) RECEIVABLES**

Trade debtors are to be settled within 60 days and are carried at amounts due. The collectibility of debts is assessed at balance date and specific provision is made for any doubtful accounts.

**(g) PLANT AND EQUIPMENT**

**Acquisition**

Items of plant and equipment are initially recorded at cost and depreciated as outlined below.

**Depreciation**

Items of plant and equipment are depreciated using the straight-line method over their estimated useful lives.

	2004	2003
· Furniture and Fittings	20%	20%
· Office Equipment	20 – 33 $\frac{1}{3}$ %	20 – 33 $\frac{1}{3}$ %

Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.





**(h) ACCOUNTS PAYABLE**

Liabilities are recognised for amounts to be paid in the future for goods and services, whether or not billed to the Company. Trade accounts payable are normally settled within 45 days.

**(i) EMPLOYEE BENEFITS**

**Wages, salaries, annual leave, sick leave and non monetary benefits**

Liabilities for employee benefits for wages, salaries, annual leave and sick leave expected to be settled within 12 months of the year end represent present obligations resulting from employees' services provided to reporting date, calculated at nominal amounts based on remuneration wage and salary rates that the company expects to pay as at reporting date including related on-costs. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability. This reflects the application of Accounting Standard AASB 1028 from 1 July 2002. Employee pay rates are reviewed annually, and the financial effect of this change is not material.

**Long service leave**

The provision for employee benefits to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date. No employees have an entitlement to accrued long service leave as at 30 June 2004.

**Superannuation plan**

The company contributes to several defined contribution superannuation plans. Contributions are recognised as an expense as they are made.

**(j) OPERATING LEASES**

Payments made under operating leases are expensed on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

**AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 30 JUNE 2004

	2004	2003
	\$	\$
<b>REVENUE FROM ORDINARY ACTIVITIES</b>		
<b>2. OTHER INCOME</b>		
Additional EADP training services	35,000	-
Accreditation Program for Australian Veterinarians fees	27,967	24,324
	<b>62,967</b>	<b>24,324</b>
<b>3. OPERATING SURPLUS</b>		
Operating surplus before income tax is arrived at after charging/(crediting):		
Depreciation Office Equipment	5,570	4,571
Depreciation Furniture and Fixtures	9,442	13,296
Movement in employee provisions	3,734	(2,962)
Operating lease rental expenses	45,277	49,629



**AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 30 JUNE 2004

	2004	2003
	\$	\$

**NON-CURRENT ASSETS**

**7. PLANT AND EQUIPMENT**

<b>Office Equipment</b>		
At cost	75,273	75,273
Accumulated depreciation	(61,762)	(56,192)
	<b>13,511</b>	<b>19,081</b>
<b>Furniture and Fittings</b>		
At cost	89,535	88,301
Accumulated depreciation	(74,440)	(64,997)
	15,095	23,304
<b>Total written down value</b>	<b>28,606</b>	<b>42,385</b>

**RECONCILIATION**

<b>Office Equipment</b>		
Carrying amount at beginning of year	19,081	11,487
Additions	-	12,165
Depreciation	(5,570)	(4,571)
<b>Carrying amount at end of year</b>	<b>13,511</b>	<b>19,081</b>
<b>Furniture and Fittings</b>		
Carrying amount at beginning of year	23,304	29,924
Additions	1,234	6,676
Depreciation	(9,443)	(13,296)
<b>Carrying amount at end of year</b>	<b>15,095</b>	<b>23,304</b>

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2004



2004  
\$

2003  
\$

**CURRENT LIABILITIES**

**8. UNALLOCATED LEVY FUNDS**

Unallocated Industry Levy Funding	11,525,225	9,038,011
-----------------------------------	------------	-----------

Unallocated Industry Levy Funding represents amounts transferred from the Commonwealth under the Australian Animal Health Council (Live-stock Industries) Funding Act 1996 which have not yet been allocated on behalf of livestock industry Members towards Subscription Funding, Special Program Funding or other animal health projects or initiatives. The balance includes interest revenue accrued during the current financial year of \$540,334 (2003 : \$391,136).

**9. UNAPPLIED SPECIAL PROGRAM FUNDS**

Unapplied Special Program Funding	6,642,352	5,268,485
-----------------------------------	-----------	-----------

Unapplied Special Program Funding represent amounts which have been contributed by Members and other parties either directly or from levy funding towards the budgets of Special Programs, but which have not yet been actually expended within those Programs.

**10. PROVISIONS**

Employee benefits	46,873	43,139
-------------------	--------	--------

	Number	Number
--	--------	--------

Number of employees at year end	15	13
---------------------------------	----	----

**11. REMUNERATION OF AUDITORS**

Amounts received or due and receivable by the auditors for:

**Audit Services**

Auditing the financial statements	15,500	15,000
-----------------------------------	--------	--------

Other regulatory services	575	575
---------------------------	-----	-----

**Other Services**

Other assurance services	5,020	2,130
--------------------------	-------	-------

The Auditors received no other benefits.

**AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 30 JUNE 2004

**12. MEMBERS' UNDERTAKING**

The Company is a company limited by guarantee, and in the event of the Company being wound up, every member of the Company undertakes to contribute an amount not exceeding \$100.

**13. RELATED PARTIES**

The names of each person holding the position of Director of Australian Animal Health Council Limited during the financial year were:

Raoul Nieper	Keryl Enright
Peter Milne	Michael Nicholls
Tim Roseby	Reginald Smith
Roger Smith	Andrew Vizard

Apart from details disclosed in this note, no director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

**14. COMMITMENTS**

Future operating lease rentals not provided for in the financial statements and payable:

	2004 \$	2003 \$
Not later than one year	134,864	216,696
Later than one year but not later than five years	136,329	129,021
	<b>271,193</b>	<b>345,717</b>

The Company leases office space, computing and office equipment under non-cancellable operating leases expiring from one to five years

**15. DIRECTORS' REMUNERATION**

Total income paid, or otherwise made available, to all Directors of the Company from the Company or any related party for the year

170,000	168,575
---------	---------

Number of Directors of the Company whose income from the Company falls within the following bands:

	Number	Number
\$0 - \$10,000	1	2
\$10,001 - \$20,000	1	6
\$20,001 - \$30,000	5	-
\$50,001 - \$60,000	1	1

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004



	2004	2003
	\$	\$
<b>16. RETAINED SURPLUS</b>		
Retained Surplus at beginning of year	1,054,652	828,132
Net operating Surplus (Loss) for the year after income tax	486,918	226,520
<b>Retained Surplus at end of year</b>	<b>1,541,570</b>	<b>1,054,652</b>

## 17. NOTES TO THE STATEMENT OF CASH FLOWS

### (a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank. Cash at the end of financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

	2004	2003
	\$	\$
Cash on hand	400	200
Cash at bank	859,307	331,414
Investment accounts	19,144,002	16,275,416
	<b>20,003,709</b>	<b>16,607,030</b>

### (b) Reconciliation of surplus from ordinary activities to net cash provided by operating activities

Surplus/(Loss) from ordinary activities	486,918	226,520
Add/(less) non-cash items		
Depreciation	15,013	17,867
<b>Net cash provided by operating activities before change in assets and liabilities</b>	<b>501,931</b>	<b>244,387</b>
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(189,181)	427,557
(Increase)/decrease in other assets	(2,781)	(12,071)
(Increase)/decrease in assets held in trust	-	2,875,233
(Decrease)/increase in current liabilities	3,087,944	2,330,436
<b>Net cash provided by operating activities</b>	<b>3,397,913</b>	<b>5,865,542</b>

**AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 30 JUNE 2004

**18. ADDITIONAL FINANCIAL INSTRUMENT DISCLOSURES**

**(a) Interest Rate Risk Exposures**

The Company's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and the financial liabilities is set out below:

	Notes	Weighted average interest rate	Fixed interest maturing in:				Non- interest bearing	Total
			Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years		
		\$	\$	\$	\$	\$	\$	
<b>2004</b>								
<b>Financial Assets</b>								
Cash	4	5.90%	20,003,709	-	-	-	20,003,709	
Receivables	5	-	-	-	-	889,494	889,494	
			<b>20,003,709</b>	<b>-</b>	<b>-</b>	<b>889,494</b>	<b>20,893,203</b>	
<b>Financial Liabilities</b>								
Accounts payable		-	-	-	-	1,100,612	1,100,612	
Employee benefits	10	-	-	-	-	46,873	46,873	
Unallocated Levy Funds	8	5.90%	11,525,225	-	-	-	11,525,225	
Unapplied Special Program Funds	9	-	6,642,352	-	-	-	6,642,352	
			<b>18,167,577</b>	<b>-</b>	<b>-</b>	<b>1,147,485</b>	<b>19,315,062</b>	



AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004



		Fixed interest maturing in:						
	Notes	Weighted average interest rate	Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non- interest bearing	Total
		\$	\$	\$	\$	\$	\$	
<b>2003</b>								
<b>Financial Assets</b>								
Cash	4	4.71%	16,607,030	-	-	-	-	16,607,030
Receivables	5	-	-	-	-	-	700,313	700,313
			<b>16,607,030</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>700,313</b>	<b>17,307,343</b>
<b>Financial Liabilities</b>								
Accounts payable		-	-	-	-	-	1,975,418	1,975,418
Employee benefits	10	-	-	-	-	-	43,139	43,139
Unallocated Levy Funds	8	4.71%	9,038,011	-	-	-	-	9,038,011
Unapplied Special Program Funds	9	-	-	-	-	-	5,268,485	5,268,485
			<b>9,038,011</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,287,042</b>	<b>16,325,053</b>

**(b) Credit Risk Exposures**

Credit risk represents the loss that would be recognised if a counter party failed to perform as contracted.

The credit risk on financial assets, excluding investments of the Company which have been recognised on the statement of financial position, is the carrying amount, net of any provision for doubtful debts.

**(c) Net Fair Values**

The carrying amounts of all financial assets and liabilities as at the reporting date approximate their net fair values.

## 19. SUBSEQUENT EVENTS

---

### IFRS Convergence

For reporting periods beginning on or after 1 January 2005, the entity must comply with International Financial Reporting Standards (IFRS) as issued by the Australian Accounting Standards Board.

This financial report has been prepared in accordance with Australian accounting standards and other financial reporting requirements (Australian GAAP). The differences between Australian GAAP and IFRS identified to date as potentially having an effect on the entity's financial performance and financial position are summarised below. The summary should not be taken as an exhaustive list of all the differences between Australian GAAP and IFRS. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events are presented.

The entity has not quantified the effects of the differences discussed below, but believes that the effects will be minimal.

Regulatory bodies that promulgate Australian GAAP and IFRS have significant ongoing projects that could affect the differences between Australian GAAP and IFRS described below and the impact of these differences relative to the entity's financial reports in the future. The potential impacts on the entity's financial performance and financial position of the adoption of IFRS, including system upgrades and other implementation costs which may be incurred, have not been quantified as at the transition date of 1 July 2004 due to the short timeframe between finalisation of the IFRS standards and the date of preparing this report. The impact on future years will depend on the particular circumstances prevailing in those years.

The key potential implications of the conversion to IFRS on the Australian Animal Health Council Limited are as follows:

- financial instruments must be recognised in the statement of financial position and all derivatives and most financial assets must be carried at fair value
- revaluation increments and decrements relating to revalued property, plant and equipment and intangible assets will be recognised on an individual asset basis, not a class of assets basis
- impairment of assets will be determined on a discounted basis, with strict tests for determining whether goodwill and cash-generating operations have been impaired
- changes in accounting policies will be recognised by restating comparatives rather than making current year adjustments with note disclosure of prior year effects.

DIRECTORS' DECLARATION  
AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED



In the opinion of the Directors of Australian Animal Health Council Limited:

- (a) the financial statements and notes, set out on pages 40 to 54, are in accordance with the Corporations Act 2001, including:
- (i) giving a true and fair view of the financial position of the Company as at 30 June 2004 and its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
  - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Canberra this 30th day of September 2004

Signed in accordance with a resolution of the Directors

**Raoul Nieper**  
Director

**Peter Milne**  
Director

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED



### Scope

#### *The financial report and directors' responsibility*

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Australian Animal Health Council Limited (the "Company"), for the year ended 30 June 2004.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### *Audit approach*

We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, Australian Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's financial position, and of its performance as represented by the results of its operations and cash flows. We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

#### *Independence*

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

#### *Audit opinion*

In our opinion, the financial report of Australian Animal Health Council Limited is in accordance with:

- a) the Corporations Act 2001, including:
  - i. giving a true and fair view of the Company's financial position as at 30 June 2004 and of its performance for the financial year ended on that date; and
  - ii. complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- b) other mandatory professional reporting requirements in Australia.

KPMG



KPMG, an Australian partnership, is a member of KPMG International, a Swiss Association.

D A Cross

Partner

Canberra 6 October 2004



The additional financial information presented on pages 58 to 60 is in accordance with the books and records of Australian Animal Health Council Limited which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 30 June 2004. It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with our Firm policy, we advise that neither the Firm nor any member or employee of the Firm undertakes responsibility arising in any way whatsoever to any person (other than the Company) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

**KPMG**

**Chartered Accountants**

Canberra 6 October 2004



**AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED**  
**SCHEDULE OF EXPENSES**  
 FOR THE YEAR ENDED 30 JUNE 2004

2004  
\$

2003  
\$

**PROGRAM EXPENDITURE**

**PROGRAMS FUNDED BY MEMBERS SUBSCRIPTION**

Emergency Animal Disease Preparedness Program	(EADP)	1,109,883	1,073,393
Animal Health Services Program	(AHSP)	207,543	249,029
Accreditation Program for Australian Veterinarians	(APAV)	48,134	35,144
Animal Disease Surveillance Program	(ADSP)	249,416	254,764
National Animal Health Information System	(NAHIS)	325,816	351,222
Other Subscription funded Projects		63,943	33,366
		<b>2,004,735</b>	<b>1,996,918</b>

**SPECIAL PROGRAMS**

National Arbovirus Monitoring Program	(NAMP)	582,981	560,961
National TSE Surveillance Program	(NTSESP)	548,898	460,068
NFF Technical Advisory Support Services	(NFF)	39,962	42,147
National Approach to Animal Health (Commonwealth Budget Initiative)	(CBI)	295,503	135,781
National Johne's Disease Control Program	(NJDGP)	560,096	716,979
National Ovine Johne's Disease Control and Evaluation Program	(NOJDP)	2,117,526	1,339,773
Tuberculosis Freedom Assurance Program	(TFAP)	787,122	1,009,626
Other Special funded Projects		347,337	153,325
		<b>5,279,425</b>	<b>4,418,660</b>

**TOTAL ALL PROGRAMS** **7,284,160** **6,415,578**

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED  
**SCHEDULE OF EXPENSES**  
 FOR THE YEAR ENDED 30 JUNE 2004



	2004	2003
	\$	\$
<b>COMPANY ADMINISTRATION EXPENDITURE</b>		
Accounting and audit	15,500	16,405
Consultants fees	848	3,997
Depreciation	15,013	17,867
General office	184,000	214,297
Insurances	70,948	61,094
Legal fees	9,479	11,857
Motor vehicle expenses	3,181	4,148
Provision for employee entitlements	3,734	(2,962)
Rent and cleaning	174,731	175,960
Salaries and related costs	1,188,501	1,242,528
Travel and accommodation	3,194	11,304
	<b>1,669,129</b>	<b>1,756,495</b>
Less: Costs allocated to Subscription Funded Programs and Activities	(1,055,530)	(1,130,365)
Less: Costs allocated to Special Funded Programs and Activities	(613,599)	(626,130)
	-	-

**OTHER SUBSCRIPTION FUNDED EXPENDITURE**

**BOARD**

Directors' fees	170,000	158,000
Directors' superannuation	15,300	10,575
Insurances	9,698	13,980
Selection costs	12,070	10,224
Travel and accommodation	109,363	141,190
Other expenses	15,217	11,286
	<b>331,648</b>	<b>345,255</b>



AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED  
SCHEDULE OF EXPENSES  
FOR THE YEAR ENDED 30 JUNE 2004

	2004	2003
	\$	\$
<b>STRATEGIC PLANNING</b>	40,430	101,888
Costs of establishing and developing new strategic directions for the Company, including strategic consultation with Members and the development costs of Strategic Plan and Business Plan.		
<b>COMPANY MANAGEMENT</b>	305,027	287,291
Company Management relates to those activities that are not associated with the management or operation of specific, separately budgeted programs but which are devoted to extending, managing and maintaining the Company's capability to achieve its objectives. Includes costs of statutory compliance and administration of corporate affairs, Company general meetings etc.		
<b>COMMUNICATIONS AND MEMBER SERVICES</b>	144,720	128,652
Includes costs associated with the production of collateral material, including the annual report, performance surveys and website, costs associated with face-to-face meetings with Members and stakeholders, and costs of delivering non Program services to Members.		