

**Submission relating to: Hendra
virus (HeV) Equivacc® vaccine
and its use by Veterinary
Surgeons in Queensland. -
21/4/2016**



Abstract: This is a critique of the flawed public policy response to the Hendra virus. The document addresses items 3,4,5 and 6 of the terms of reference only. The policy by the Department of Agriculture and Fisheries to rely solely on vaccination is flawed. This policy response ignores history, industry behaviour and consumer behaviour. Further the consequential policy response by Worksafe Queensland displays an unbelievable arrogance toward the veterinarians, their clients, and the welfare of the animals. And an ignorance of the consequences of their actions.

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1 Executive Summary

I have prepared this submission for your consideration as I am passionate about addressing what I interpret as very poor public policy that is exacerbated by, and being enforced by an abuse of power by a state agency.

The victims of this poor policy and the abuse are people with little or no economic or political power or influence. The consequences for many of these victims is significant emotional distress. Distress that is bought on by government departments / agencies that appear to have an inability to appropriately carry out their responsibilities.

The DAF policy of “vaccination only” is flawed. This policy ignores history, industry behaviour, and consumer behaviour.

The Worksafe Queensland policy on PPE significantly increases the risk of physical injury to veterinarians, handlers / helpers and the animal.

The Worksafe Queensland policy to deny service, adversely impacts on the veterinarian’s business, the client’s financial and emotional state, and the welfare of animals.

2 Recommendations

These recommendations require that the government department and agencies adhere to the fundamental basis of fulfilling their responsibilities and being accountable for the outcomes.

2.1 DAF Hendra Policy

DAF needs to formulate a realistic comprehensive policy that recognizes the environmental and husbandry aspects of Hendra infection risk management. Logically this would include vaccination where appropriate.

Vaccination, where appropriate should be able to be carried out by any competent person.

Record collection and keeping needs to be integrated with existing databases.

2.2 Worksafe Queensland Policy

Worksafe Queensland have two aspects to address:

One, they need to come up with a more appropriate set of PPE that is cognizant of the needs of the veterinarian, the horse handler and the welfare of the horse.

Two, They need to abolish the denial of service policy and pass the risk assessment back to the veterinarian where it belongs.

2.3 Government

The Queensland government (ministers) needs to take control of these “cowboy” departments/ agencies and bring them to account.

3 Introduction

3.1 Scope

The scope of this submission is to address items 3, 4, 5 and 6 of the Terms of Reference only.

3.2 Assumed Objective

It is assumed that the objective of the public policy surrounding the Hendra virus vaccine, HeV EquiVacc® was to protect the veterinarians from the risk of infection by the Hendra virus.

For this objective to be successful, all equines would have to be vaccinated. However, if you stop and think about this, this was, and is, never going to happen.

Further to base the policy on vaccination as the panacea for Hendra is a patently false premise. The briefing document contains the statement, *“Vaccination is the single most effective way of reducing the risk of Hendra virus infection in horses.”*

This statement is simply not true. At the micro level, it has validity, at the macro level it has no validity.

There is the long accepted historical paradigm that engineers have saved more lives than doctors.

This statement is true.

The engineers saved the lives by limiting exposure to the agents of infection, through the provision of clean water and the effective removal of waste.

The same can be true with Hendra. If we prevent exposure to the agents of infection then infection will not occur. If we cannot prevent exposure to the agents of infection then vaccination is appropriate.

3.3 Predictable Failure

This public policy to focus on vaccine only is a predictable failure, as the policy formulation has ignored known and proven market / consumer behavior.

1. For many horse and pony owners there is no perceived risk of Hendra infection, thus they are simply not compelled to act. Also many horse and pony owners have infrequent or no contact with veterinarians, so they are not subjected to pressure to act.
2. The veterinarians, as the intended beneficiary of this policy bear none of the costs and are presented with a business opportunity for regular financial benefit through frequent dealings with horse and pony owners.
3. All costs are borne by the horse and pony owner. Further, the expense is significant, and in many cases there is little or no perceived benefit derived from this significant expenditure.

Essentially, the vaccination only policy has created a “Hendra TAX”.

3.4 Hendra TAX

In real terms the risk of Hendra infection is infinitesimal, thus the person paying the Hendra tax receives little or no benefit while those that don't pay the tax, receive the benefit. (This is a classic definition of a tax.)

Further the veterinarians are both the beneficiary, and the designated tax collectors. As the tax collector they are required to threaten, bully, intimidate, or otherwise coerce the horse and pony owner into paying the tax by threats of denial of service.

To diminish the discomfort around this tax, the veterinarians have recently invoked the evil spectre of "Workplace Health and Safety" as the enforcer that is making them take this approach. This provides them with an excuse as to why they must demand payment or deny service.

It should also be acknowledged that this Hendra tax is an inequitable tax.

It is paid by the gullible and those that are intimidated by the bullying tactics of service denial, employed by the veterinarians. It is not paid by everyone. And especially, it is not paid by those with poor husbandry practices that increase the risk of Hendra infections, that also don't use veterinarians.

3.5 Better ways?

My education and experience of some 45 years in dealing with government and in business tells me that there are much better ways to achieve the desired outcomes.

The mandated vaccination by veterinarians is a waste of highly educated and skilled resources. The vaccination of horses and ponies, where necessary, could be performed by others. This should result in a consequential saving in costs, and a more appropriate use of resources.

Recognition of best practice husbandry must be a key element in the decision framework relating to Hendra risk / vaccination.

Veterinarian should be recognized for their professional education and experience as being capable to assess risk and determine appropriate actions.

4 Risk and Reward

4.1 The Risk

The publically presented research indicates that keeping, feeding and watering horses and ponies in flying fox polluted areas is the biggest contributor to Hendra infection.

Documentation distributed by the department clearly sets out guidelines for eliminating these environmental and husbandry risks through appropriate management.

Thus you would expect that where horse and pony owners have adopted best practice in reducing / eliminating the Hendra infection risk, this would be taken into consideration in the assessment of risk.

This is not the case.

4.2 Policy Response - DAF

The fact that the environmental / husbandry aspects have been discarded in favour of a vaccination only policy and that this policy is being enforced vigorously while ignoring the veterinarians knowledge and skill raises the question as to competence of the management of this issue within government.

It further raises the question as to just what research and case analysis has been carried out to identify just what is the best combination of strategies to manage this risk.

I have been on the Hendra virus public distribution lists for the department and for the Queensland Horse Council since the inception of these distribution lists. While there was an initial burst of investigation into flying fox urination and defecation behavior patterns and the consequences for horse owners, this all appears to have ceased once the vaccination policy was determined by the department to be the panacea.

4.3 Policy Response – Worksafe Queensland

As mentioned above, the current vaccination only policy also ignores the veterinarians developed knowledge and skill at assessing risk. The current policy implementation would suggest that the Workplace Health and Safety bureaucrats (Worksafe Queensland) consider the veterinarians to be dumb practitioners that are incapable of making a valid risk assessment.

The following is a complete quote from the veterinarian that I have been using on my stock, ... *“Recently Worksafe Queensland have commenced criminal proceedings against a veterinarian for his failure to adhere to these guidelines despite assessing the exposure risk as nil. Now 2 other vets are being prosecuted. Having spoken directly with those involved, the experience for the practices and the individuals involved has been extremely unpleasant and the adoption and enforcement of these strict procedures by Worksafe Queensland has forced us to re-evaluate our practice policy.”*

The policy surrounding the vaccine is singularly focused on vaccination only. It ignores the critical factors of the environment and the husbandry practices of the horse and pony owners. Further it seeks

to protect the veterinarian by preventing them from treating unvaccinated horses. (Thus my assumptions as the policy objectives.)

As this application of the policy means that animals are to be denied treatment, is this a case for the RSPCA to prosecute Worksafe Queensland for abuse of animals?

4.4 Rewards?

As to rewards, I do not have access to any hard data, so the following is my educated assessment of the state of play:

1. The horse owner is out of pocket if they succumb to the pressure and vaccinate. So they are in the negative.
2. The veterinarians may be getting a small amount of additional work doing vaccinations. I suspect that this aspect of their business will be disappointingly low as the price is far too high to get a reasonable response to the pressure they are applying. Also they will wear the long term negative perception for their part in this vaccination policy implementation. So they are probably slightly positive, but the long term effect is likely to be negative.
3. The manufacturer will be disappointed in the low take up of the vaccine. I expect that they are consequently disappointed in the financial return. (Maybe this is why they are jacking up the price of "2 in 1"?)
4. The CSIRO, depending on the deal with the manufacturer, is probably also disappointed in the poor financial returns.
5. The only happy campers are likely to be the departmental employees (the architects of this fundamentally flawed vaccination policy) who are still getting their fortnightly pay despite their exhibited incompetence.

5 Role of Veterinarians

There are three aspects of this vaccination policy that relate to the role of veterinarians that disturb me:

1. Veterinarians are being used to undertake a low level task that could be performed more efficiently by others. Owners are being forced to pay a high price for a semi-skilled task, that they could do themselves.
2. The veterinarians are being forced to be “tax collectors” and “demand money with menaces”. This is something that they are not trained for, and are likely to be very uncomfortable with, and that will have long term adverse impacts on their professional image and business.
3. The veterinarians’ professional status is being degraded by Worksafe Queensland and denied the right to use their professional judgement when assessing risk. Further they are being forced to take unnecessary physical risk (with PPE) and unnecessary business risk by this vaccination policy.

The normal role relationship between a veterinarian and an owner is that the veterinarian tests and diagnoses the problem, determines the appropriate treatment, and administers the initial treatment. The owner then administers the follow-up treatment. In the case of vaccinations these are typically sourced from the produce stores and or the veterinarians (in some cases) and administered by the owner.

The policy mandating that the HeV vaccine be administered by a veterinarian simply introduces an expensive unnecessary element to this vaccination process.

Further, the veterinarians are required to record data relating to the vaccination. My issue with this process is that it appears to be poorly designed and administered, and thus largely useless. The data recording is both incomplete and unrelated to existing data bases. It appears to be a token gesture to imply the “something is being done”.

Veterinarians are well educated. They are selected from our best and brightest students. They go through a rigorous education and training process at accredited universities and they undertake ongoing post graduate professional development.

Veterinarians are not trained to be high pressure used car salesmen or time share salesmen. They are used to the discipline of asking for payment after they have performed a service for a client. Not demanding payment for a service of questionable value accompanied by the threat for withdrawal of service.

This aspect of the policy implementation will have adverse impacts on the veterinarian profession in the long term. They will find that their market will begin to lose trust in them with a flow on of other adverse attitudes that will impact negatively on their business.

As mentioned previously, the reported Worksafe Queensland edict to prosecute veterinarians for using their professional judgement is a frightening development. This suggests to me that my assessment of WHS as an out of control bureaucracy is valid.

David Anthony and Ben Poole in their presentation raised a couple of points that require addressing:

1. They made a point that ...*"No vet is getting rich from vaccine"*. This is understandable if you understand basic economics and the price elasticity of demand. Essentially the price of this product is so high that demand can only be created through coercion. (refer to next section for detail)
2. They claim ... *"equine vets are leaving practice"*. So what? This is to be expected, with natural attrition and accelerated attrition due to the adverse impact of deaths of colleagues.
3. They also claim ... *"Vets not joining Queensland practices"*. This is not consistent with my observations. The vet practice that we use has had a steady influx of new vets to their practice over the last 4 years.

My general view is that veterinarian community has been poorly served by their leadership in relation to Hendra. This is somewhat to be expected as essentially they are not educated, or experienced in public policy formulation. They also had the spectre of their colleagues and friends dying horrible deaths from doing their job. Logically it was very personal and very close to home.

[In regard to point 1 above, I haven't done the research, but I suspect that optimal price for Hendra vaccine would be around \$30/dose. There is an "elbow" in the price elasticity of demand curve that indicates the optimal price where revenue from a product or service is maximized. I have heard grumbles lately about the price of "2 in 1" being jacked above \$35 / dose]

6 Equine Industry Impact

6.1 A Personal Perspective

I am not in a position to speak for others in this submission. I can only relate how this poor policy decision has impacted on my activities.

I breed Welsh Mountain Ponies. The Welsh Mountain Pony is recognized as the prettiest pony in the world and at just under 12hh and a quiet temperament they make ideal children's ponies.

Prior to Hendra, a well educated child's pony would sell for \$7,000 to \$10,000. I sold weanlings for between \$2,500 and \$3,500, during this period. Earlier this year we sold a top quality, well educated pony for only \$5,000. While I have insufficient data for a valid statistical sample. The current market is "tough". I suspect that the impact of Hendra and the follow on vaccination policy is in part responsible to the suppression of demand and prices in this market.

Further I also suspect that the current push to "deny service" is having a significant adverse impact on the market. I have a number of top quality ponies on the market, and despite extensive advertising, I am seeing little or no response. And, what response there has been, has included extremely low offers.

6.2 Vaccination Costs

In the tables below I have set out some fundamental facts relating to costs, the relative cost of Hendra vaccine of the sales price of individual ponies.

Ex- Hendra Vaccination					
Milestone	Sell Low	Sell High	Ext Costs	Margin Low	Margin High
Yearling	1000	2500	788.5	211.5	1711.5
Child's pony	3000	5000	2328.5	671.5	2671.5

Post Hendra Vaccination					
Milestone	Sell Low	Sell High	Ext Costs	Margin Low	Margin High
Yearling	1000	2500	1385	-385	1115
Child's pony	3000	5000	3669	-669	1331

As can be seen from the above tables the cost of Hendra vaccination under the current policy is excessive relative to other external costs. The external costs include: branding, registration, vaccination for tetanus and strangles, worming, farrier, and the training and education of the pony for riding.

The cost of feed, housing, promotion, etc has to come out of any margin that exists. You will note that Hendra vaccination costs represent some 37% to 44% of total external costs. The vaccination cost is largest single cost in getting a pony to salable age and to an appropriate level of training.

On a larger scale, where we have small herds, the vaccination costs multiply to become significant. At the current quoted rate for Hendra vaccination with 11 ponies, selling two and producing 2 foals per year, the initial cost would be: \$3566.50, with an ongoing cost of \$2873.5 per year.

In this context even selling two ponies at the maximum price, is not enough to cover the additional cost of paying for the Hendra vaccination.

The NPV of the expense for vaccinating 11 ponies at current prices is \$22,486. For this level of investment I could build another stable block to house the ponies.

6.3 RNA – Queensland Royal Show

Another aspect with the Hendra vaccine policy is the action of the RNA, and the consequential reaction of the horse community.

The Royal Queensland Show conducted by the RNA was the peak show for showing stud horses. A “champion” at a royal show carried some bragging rights. However this has now changed.

The RNA in support of the Hendra vaccination policy mandated that all horses had to be Hendra vaccinated before they were bought to the grounds.

In my case I had pregnant mares, and at that time the vaccine was not approved for pregnant mares. So I decided that I would no longer show at the Queensland Royal. I have not been back since.

Discussions with others that showed at the Queensland Royal showed a mixed reaction. Those that participated in ridden classes felt pressured to vaccinate so that they could continue to show. Those that had stud stock by and large chose to cease showing at the Royal, and shifted their focus to the specialist breed shows.

This mixed reaction was largely based on cost. For the ridden classes most competitors had only one horse. Whereas the people showing stud stock tended to have two or more stock to show. Add this additional vaccination cost to the already high cost of exhibiting at the Queensland Royal, and it becomes an easy decision not to go.

I believe that this decision by the RNA was unnecessary, ill targeted and ultimately detrimental to the Queensland Royal as the peak show for stud horses in Queensland.

7 Work Place Health and Safety

I do not have a positive view of Worksafe Queensland and of the modern workplace health and safety generally. While in the past this discipline has saved lives and reduced workplace injuries, the modern manifestation appears to be more about justifying their own existence.

There are two main issues with Worksafe Queensland:

1. Inappropriate PPE
2. Denial of service for unvaccinated horses.

7.1 Inappropriate PPE

In the case of Hendra the first black mark is the overkill with the mandated PPE. While I accept that in the early stages there were so many unknowns the available PPE probably made sense. But once the dust was settled it makes little sense to put the Veterinarian and any handlers at physical risk by frightening the horses dressed up as a bright blue spaceman.

Anybody with any horse experience could have predicted the horses' adverse reaction to the PPE.

Given the time that has elapsed since the first rush, what has been done about appropriate horse and vet friendly PPE?

Worksafe Queensland – Denial of Service.

My second major issue with Worksafe Queensland is the “guidelines” that prevent veterinarians from doing their work.

There is arrogance in their approach that denigrates and insults the education, training and experience of the veterinarian. Further, as mentioned previously, there is not consideration given to the environment and the husbandry practices.

This is an unbelievably narrow and blinkered arrogant approach that has significant adverse impacts on the veterinarians, their clients and the welfare of the horses.

Their arrogance harms the veterinarian's business and damages the relationship between the veterinarian and the fee paying client.

Their arrogance harms the horse industry as the imposed costs, for those that succumb to the pressure add a very significant expense to the cost of keeping a horse or pony. This in turn will shrink the market for hoses and ponies and the associated produce and saddlery items.

Finally, their arrogance will deny appropriate care to unvaccinated stock regardless of the ailment. Animals will suffer because of this decision, and horse owners will be distressed by their inability to provide appropriate care for their animals.

Personally I cannot recall any other cases where the decision to impose state regulation has done so much deliberate harm.

I find it unconscionable that the responsible Minister would allow a state department / agency to implement and prosecute such a flawed policy that does so much harm to the powerless.

8 About the Author

My name is Rod Dunn. My wife and I operate a small Welsh Mountain Pony stud at Greenbank, just south of Brisbane. We have a top quality stallion, and a small number of mares which we use to produce a small number of top quality foals.

We employ best practice in the care, training and housing of our ponies. We have closely monitored Hendra since the Vic Rail incident and adjusted our husbandry where necessary to eliminate risk.

Since the time that the Hendra vaccine was first mentioned we have consulted with the veterinary practitioner that we use to assess if we need to vaccinate our ponies.

I have a commerce degree, and I spent my working life working in corporate and business. As a business analyst / strategist in the corporate environment I have extensive dealings with public policy. Particularly in the areas of: telecommunications competition, pay-TV, broadband, internet, and copyright.

Further I have particular expertise in areas such as, Industry analysis, demographics, consumer behavior and pricing.

In my last position I was the National Manager Business Analysis, Telstra Multimedia. I also sat on Telstra's pricing council and Telstra's fund for social and policy research.

After leaving Telstra I spent some time working with new technology start ups and lecturing and tutoring at uni. (Largely, QUT and later a short stint at UQ.) I also worked to an electronics design and manufacturing company until ill health (heart) forced me to cease work.

Thus I am well qualified to criticize this Hendra policy. I have to say that the whole exercise appears to be one of reluctance by the department to deal with what to them is a small side issue. There appears to have been little or no resources allocated, incomplete research and analysis, and the propensity to grab the first easy solution, regardless of the consequences.