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THE
McGARVIE SMITH
INSTITUTE

HISTORY UPDATE

2011-2021



MCGARVIE SMITH INSTITUTE

HISTORY UPDATE 2011 – 2021

This History Update, for the period 1 January 2011 to 31 December 2021, has been prepared by the Trustee, Dr Frank Doughty and Secretary, Neil Hillman. It has been reviewed and approved by the Trustees of the McGarvie Smith Institute.

This Update follows that compiled by the Chairman and approved by the Trustees for the period 1992-2000 and 2000-2011, which in turn brought up to date the activities, policies and philosophies of the Institute as recorded in the Printed History for the period 1918-1992 written by Dr Ursula M L Bygott at the request of the then Trustees.

Objectives of the Institute

Production of the McGarvie Smith Anthrax Vaccine ceased prior to the period under review. The Trustees consequently adopted as the prime objective of the Institute, that expressed in Clause 5(b) of the *McGarvie Smith Incorporation Act 1928*:

"To promote and advance either alone or in conjunction with any person or body corporate, or with the Department of Agriculture of NSW, veterinary science and the sciences of pathology, microbiology, parasitology, or any allied science so far as they relate to veterinary science, and to engage in the promotion of scientific research and the equipment of laboratories in NSW or elsewhere in such manner and at such cost as the trustees may from time to time determine."

The Institute focuses on making grants to fund research in the livestock industries. The Institute has a limited capital base and seeks appropriate niche research projects. The Institute works closely with the NSW Department of Primary Industries and the Faculty of Veterinary Science of the University of Sydney.

In accordance with Clause 5(c) of the *McGarvie Smith Incorporation Act 1928*: *The Institute may take or accept any gift, subsidy or endowment, whether subject to any special trust or not, for all or any of the objects of the body corporate and to carry out any special trust to which such gift subsidy, or endowment may be subject according to the terms thereof.*

Trustees Presently in Office

The current Trustees of the McGarvie Smith Institute are as follows:

Bruce Morgan Christie BVSc, MACVSc – Trustee (appointed 3 February 1999 to December 2018, and reappointed in 2021)

George Wharton Mack – Trustee (appointed 2 July 2001)

James David Osborn Boyd – Trustee (appointed 16 September 2002)
Dr Francis Richard Doughy BVSc, PhD – Trustee (appointed 17 November 2003)
Dr Bruce Standen AM PhD – Trustee (appointed 2013)
Sam Walker BVSc – Trustee (appointed 2014)
Ms Sarah Britton BVSc, Dip Vet ClinStud, MANZCVS, MAICD – Trustee (appointed 2020)
Dr James Rothwell BVSc, PhD, MANZCVSc, GAICD – Trustee (appointed 2020)

Present Trustees' Experience

Bruce Christie is Principal Director Biosecurity in the NSW Department of Primary Industry. He has over 30 years of experience working in biosecurity initially as a veterinarian dealing with animal health and production issues affecting food production animals and since 2004 across the broader biosecurity spectrum of animal and plant pests and diseases. He has successfully led and managed projects and staff as: Team Leader on the Indonesian AusAID project (EIVSP II), Institute Supervisor at the Elizabeth Macarthur Agricultural Institute, Program Manager Quality Assurance within the Animal Industries Division of NSW DPI, Director Animal and Plant Biosecurity. As NSW Chief Veterinary Officer he has led responses to a number of exotic disease incursions, the most recent being the successful eradication of Equine Influenza (EI) from NSW and Australia.

George Mack was President of the Sydney University Post Graduate Veterinary Research Foundation for 16 years. He was raised on the land and is a leading farmer and grazier from the Western Districts of NSW. He was a Councillor of the NSW Graziers Association and served as Vice Chairman of the Wool Council of Australia. He served three terms as a Director of the Australian Wool Corporation and as a member of the International Wool Secretariat and the Wool Research and Development Corporation. He is an Honorary Fellow of the University of Sydney.

David Boyd retired as a Director of John Swire & Sons Pty Ltd and Clyde Agriculture Limited in 2009. He stood down in 2007 as Chairman and CEO of Clyde which was a major irrigated cotton, wool, wheat, mutton, lamb and beef producer with holdings spread across northern New South Wales and western Queensland. Mr. Boyd spent over 50 years working in Australian agriculture including a 28 year career with the Dalgety organisation, culminating in his appointment as the national General Manager of rural operations. He has served on the Boards of Cotton Australia, the Australian Wool Exchange, Wool International, and Australian Wool Innovation Limited. He is currently a Director of Tandou Limited.

Frank Doughy is a registered veterinary surgeon, graduated with a Bachelor of Veterinary Science from the University of Sydney in 1962 and obtained a PhD in 1974 for studies on neurofibroma (a cancer of the peripheral nerves) in cattle. Dr Doughy had 42 years of service in animal health, both field and laboratory services with NSW Department of Agriculture. He established and was Director of the Regional Veterinary Laboratory, Wagga

Wagga for 10 years until 1983. From 1983 – 1996 he was Director of Animal Quarantine NSW and gained overseas experience in USA, UK, Hong Kong and France.

In 1996 he established AQIL Consultancy, a foundation member of Australian Society of Veterinary Pathologists. Currently Chairperson of the Director General's Animal Ethics Committee and member of the University of NSW and the NSW Schools Animal Ethics Committees. Member of the Australian Institute of Export and a Life Member of the Australian Veterinary Association (AVA). AVA representative on NSW Agricultural and Animal Services Committee under the State Disaster Plan.

Bruce Standen grew up in regional Australia and has worked all his life in Australia's primary industries. After his initial tertiary education in agricultural economics at the University of New England he served in regional and head office positions in the NSW Department of Agriculture. He moved to the Australian Meat and Livestock Corporation in 1978 after completing his PhD in Economics in London, becoming Managing Director for nearly ten years from 1989. He has since been an independent adviser to government agencies, industry organisations and agribusiness firms as well as serving as a Director of various not-for-profits and companies including Sydney Fish Market Pty Ltd.

Sam Walker graduated in Veterinary Science then acquired a Master of Commerce with First Class Honours, University of Sydney. He is a member of the Institute of Chartered Accountants. Since 2010 he has been a board member of RAS as well as a member of RAS Audit Committee. He was involved with corporate finance (Ernst & Young), Analyst at Merrill Lynch and Goldman Sachs followed as Vice President at The Carlyle Group, then Director, Macquarie Bank Corporate and Asset Finance. Since 2019 Sam has been a partner and founder of Arcadia Capital, a private equity firm raising capital.

Sarah Britton is the NSW Chief Veterinary Officer and leads NSW DPI's Animal Biosecurity unit in the prevention and control of exotic and endemic animal pests and diseases. She also represents NSW on the national Animal Health Committee, leading the development of animal health policy and operations at a state and national level. Sarah grew up on a sheep and cattle property in Central West NSW. She has extensive veterinary experience in government, industry, and private animal health sectors including delivery of large complex animal health and biosecurity programs. She is also Deputy Chair of the Wildlife Health Australia Management Committee and Director on several not for profit organisations.

Sarah was awarded an Australian Rural Leadership Program Scholarship in 2018.

Dr James Rothwell spent 10 years working as a veterinary pathologist, 10 years doing parasiticide development and research into the external parasites of livestock for Elanco Animal Health. A stint as a consultant, then Professor of Veterinary Pathology and Infectious Disease at the University of Queensland. In 2011 he moved to be Health and Welfare Program Manager at Meat & Livestock Australia just in time for the live export scandal. He

is bookending his career back with NSW DPI as Director of EMAI. He has patents, registered products, scientific papers and conference proceedings to his name.

Policy for Appointment of Trustees

In each appointment of a Trustee, a Memorial of Change in Body Corporate has been lodged with the relevant authority & a notice published in the Government Gazette as required by the McGarvie Smith Institute Incorporation Act 1928.

The current Government appointees are Sarah Britton (2020) and James Rothwell (2020). The other Trustees have been appointed by a resolution of the Trustees at a meeting as required by the Act.

The criteria for appointment of Trustees have been consistent with past policy of maintaining a spread of qualifications both in the field of Veterinary Science and in business affairs to provide the Institute with continuity, solidarity, and skill in assessing research projects and in investment of funds and preservation of the Institute's capital.

Retirements and Appointments of Trustees and Secretary

In January 2001 the Trustees accepted the recommendation of the Chairman, Mr E G Chaston that a retirement age of 80 years should be implemented and that there should be an orderly phasing in of this policy. At the December 2021 meeting long serving Trustees David Boyd (2002) George Mack (2001) and Dr Frank Doughty (2003) retired in accordance with this policy. Henric Nicholas's resignation as a Trustee was accepted at September 2013 meeting and Trustees accepted Bruce Standen to replace Henric.

At the end of the 2013/14 financial year Mr Alan Farrar retired as a Trustee including 14 years as Chairman and David Boyd was elected Chair effective from June 2014. Alan thanked the Trustees for their support over the last 14 years and reminded them of the need to widen the base of projects to be funded but commented positively on the future of the Institute. In December 2016 the Trustees were saddened with the news of the passing of Alan Farrar.

Sam Walker's appointment as a Trustee was confirmed at the June 2014 meeting.

At the March 2015 meeting Renata Brooks' resignation as a Trustee was accepted and the Chairman thanked her for her valuable and significant contribution to the Institute over 15 years. Sarah Britton was approved as the DPI replacement for Renata in December 2018. At this meeting Bruce Christie advised his intention to retire as a Trustee and indicated Dr Jim Rothwell, Director of EMAI would be his DPI replacement. Both Sarah and Jim were welcomed as new Trustees at June 2020 meeting. Trustees agreed to the reappointment of Bruce Christie as a Trustee and that he would take over as Chairman in 2022 following David Boyd's retirement.

Research Projects, Scholarships, Prizes and Other Funding by the Institute

2011 – 2021

Purchase of laboratory equipment

Revitalising and expanding Australia's National Veterinary Pathology digital reference database (Australian Animal Pathology Standards Program 2017).

Research Projects

Theileria orientalis

Using full genome sequencing to surround the diversity and epidemiology of *Theileria orientalis* in Australia (EMAI, 2015).

Foot & Mouth Disease

Evaluation of high throughput test strategies for FMD virus (FMDV) surveillance in sheep (EMAI, 2015).

Chlamydia

Improving the serological diagnosis of chlamydial infections in NSW sheep and cattle (University Sunshine Coast, 2016).

Footrot

A pilot study investigating the genetic and epigenetic factors differentiating virulent and intermediate strains of *Dichelobacter nodosus* isolated from sheep flocks in NSW (University of Sydney, 2017).

Study on prevalence and impact of chronic benign footrot in NSW (University of Sydney, 2018).

Development of recombinant antigen for serogroup M for inclusion in vaccine for treatment, control and prevention of footrot in sheep (University of Sydney, 2020).

Longitudinal comparative study of laboratory virulence diagnosis (Elastase test) with clinical diagnosis of footrot outbreaks in NSW (EMAI, 2020).

Q Fever

Investigation into host pathogen interactions associated with *Coxiella burnetii* (Q fever) in Australian cattle (EMAI, 2019).

Investigation of *Coxiella burnetii* infection, proliferation and shedding in bovine mammary epithelial cells within an in vitro 3D cell culture model (University of Sydney, 2021).

Bluetongue

Development of a Bluetongue (BTV) serotype 16 vaccine (EMAI, 2019).

Border Disease

Seroprevalence of Border Disease virus antibodies in NSW sheep flocks (EMAI & LLS Young, 2020).

Other

Gene expression study (EMAI, 2021).

Financial Assistance to Attend Conferences

Veterinary Research Officer (EMAI) to attend conference and present findings re *Theileria orientalis* (2012).

Veterinary Officer (NSW DPI) to attend FMD real time training program in Nepal (2013).

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McGarvie Smith Roy Watts Memorial Scholarship

The Scholarship was set up in 2003 and was awarded annually to suitably qualified applicants to undertake the Veterinary Public Health Management Post Graduate Course at the University of Sydney. Four scholarships have been awarded but unfortunately due to cancellation of the course in 2019, this scholarship is no longer available. Alternative education funding is being investigated.

McGarvie Smith Institute Prize

Awarded annually since 2006 to the most outstanding Veterinary Science student in Rural Public Practice extramural rotation in final year studies at University of Sydney. In 2017, the prize was no longer offered but replaced by two new scholarships awarded annually. These are available for student projects at the University of Sydney and Charles Sturt Wagga. In 2018, the following scholarships were awarded:

- Study of the prevalence of the reproductive parasite *Trichomonas foetus* in northern Australian cattle (Honours Student, University of Sydney).
- Development of an ideal sampling strategy for isolation of *Coxiella burnetii* from dairy cattle in NSW (Honours Student, University of Sydney).

Further comments re funding

The Trustees have been concerned from time to time during the period under review at what they considered to be a low level of applications for funding coming forward. In December 2002 the Trustees discussed the extent of funding that had been given over the past three years. It was noted that there was a limited client base to which funding could be provided and that this is the prime reason that not a lot of projects had been submitted for consideration. It was agreed that the funding of appropriate niche research projects of value to the livestock industries was the primary objective of the McGarvie Smith Institute given the limited capital base.

The Institute does not contribute funds to property, salaries or ongoing projects. An updated system of reporting on projects was agreed and was added to the conditions of granting funds. The Trustees continue to be proactive in encouraging projects and to maintain the Institute's profile. The recent level of funding applications is considered to be satisfactory.

The Trustees maintain close and productive relationships with the Faculty of Veterinary Science, University of Sydney and the Deans of the Faculty have addressed meetings of Trustees and discussed research issues relevant to the livestock production industries. There is a similarly close and productive relationship with the EMAI. Trustees received regular updates via NSW Animal Health Surveillance (DPI NSW) and Animal Health Surveillance (National) newsletters.

Website

The institute has its own web address under a hosting arrangement with NSW Agriculture. It was also resolved to put together a brief on website content which would contain the following: background information on McGarvie Smith; template for funding requests; a clear indication that the Institute was restricted to funding projects in NSW only; a copy of the latest Annual Report; a summary of the history of the Institute; final reports received for projects that had been funded; scholarships and prizes funded by the Institute. The trustees identified the benefits of having a website as including raising the profile of the Institute in veterinary circles, providing contact details and the process for funding applications. The website is regularly updated by the Secretary.

Financial and Investment Policy

At the February, 2012 Trustees' meeting the following Investment Policy was approved.

1. Investment Parameters

- a) To invest the Institute's funds in accordance with:
 - The McGarvie Smith Institute Incorporation Act (Act No.28) 1928
 - The Rules of the McGarvie Smith Institute (as amended)
 - The Trustee Act 1925 (as amended)
- b) To prudently manage all aspects of risk in relation to the Institute's funds including:
 - Ensuring the investments are adequately diversified
 - Ensuring there is an adequate level of liquidity for effective operation of the Institute having regard to its needs, objectives, commitments, and its sustainability
- c) To ensure that any party to whom investment decision making is delegated, exercises integrity, prudence and professional skill and are fully accountable to the Trustees.

2. Investment Objectives

Consistent with the above parameters, to invest the funds of the Institute so as to achieve the following specific objectives:

- i. Real Return

To have a good likelihood of achieving a return of income and capital (net of investment expenses) of at least 4% per annum in excess of price inflation as measured by the Australian Consumer Price Index over five-year periods.
- ii. Downside Risk

To have a low likelihood of achieving a negative return of income and capital (net of investment expenses) over a twelve-month period.

3. Investment Strategy

Consistent with the above Parameters and Objectives:

- To maintain an allocation of approximately 50% of the invested funds in growth investments including direct investment in securities and investment in managed funds and 50% in Australian defensive investments including cash deposits
- To review the investment objectives regularly, and to adjust the relevant percentages allocated to growth and defensive investments in the light of economic conditions and the professional advice obtained by the Trustees.

Policy regarding Investment of Funds in Term Deposits

At the March, 2017 Trustees' meeting the following Term Deposits investment policy was approved:

1. No greater than 50% of Term Deposits to be held in one bank/financial institution
2. Term deposits to be held only in Banks/financial institutions offered by the Australian Money Market Platform to achieve efficient administration
3. Term Deposits are to be placed only with institutions that have a credit rating of A- & above
4. The Chairman & Secretary are authorised by the Trustees to select the appropriate TD on maturity of a deposit within the above guidelines

The value of the Institute's investments increased from \$2,733,549 at the end of the 2011 financial year to a value of \$4,038,132 at the end of the 2021 financial year. This represents an increase of 48% over the period. During that time an amount of \$569,360 was paid out to successful research project applicants.

The table below shows the figures for Operating Surplus, Research Grants awarded and the closing Market Value of the Institute's assets for the financial years 2011/2012 to 2020/2021 inclusive: