



12 November 2010

Secretary
Senate Rural and Regional Affairs
& Transport Committee
Parliament House
Canberra ACT 2600

Attention: Ms Jeanette Radcliffe

Additions and Changes to VMDA Submission on the Proposal for Horse Industry Levy

Thank you for your email of 26 October 2010 conveying that the Senate re-referred the inquiry to the committee and that it report by 25 November 2010. In your communication you indicated that if the VMDA wished to make any changes or additions to its earlier submission of 6 August 2010, the committee would appreciate receiving them by Friday 12 November 2010. On behalf of the Veterinary Manufacturers and Distributors Association Ltd (VMDA) the following changes/additions are provided for consideration by the committee.

Since providing our submission to the committee, the Horse Levy Working Group (WG) chaired by the President of the Horse Industry Council (AHIC) and composed of representatives from Animal Health Australia, Arabian Horse Society of Australia, Australian Stock Horse Society, Harness Racing Australia, National Campdraft Council of Australia, Quarter Horse Association, Queensland Horse Council and Welsh Pony & Cob Society has decided to support certain levies to pay for its share of an EADRA. In doing so the WG considered options for a levy mechanism to meet the requirements of Primary Industries Ministerial Council's (PIMC) 17th Meeting for the horse industry to come up with a proposal to advance an agreed levy mechanism by 1 December 2010. On 9 September 2010 it announced, among other things, that since the horse industry uses manufactured feed and anthelmintics (worm treatments), it recommends that approved levy mechanisms for these products be used for recovering the industry's share of an Emergency Animal Disease Response.

The Board of the VMDA considered this announcement in conjunction with the AHIC's earlier briefing note on the matter. In our consideration of this announcement we assumed that estimates of this option can be found in point 5 of that briefing note entitled *Signing the EADRA Preferred levy collection options* namely that "... if the horse industry's share was \$30-40 million, its commitment would be in the order of \$3-4 million per year (for 10 years). Based on the sales figures for horse feed and wormers, the levies would represent only a small increase (about 4 cents/kg for feed and 50 cents/dose for wormers) in the price for owners."

The VMDA Board concluded that while it agreed that there was a need for some levy mechanism, it could *not provide unqualified support* for this form of levy. Moreover, VMDA needed to be satisfied that the application of the proposed details and mechanism are feasible.

To this end the VMDA considers it appropriate that as an industry on which this levy may be imposed we should be involved in determining the feasibility of the collection mechanism(s). Further, in our submission to the committee on the matter we stated that although "... a "Registration Levy appears to be complex, it would seem more appropriate and equitable to base a levy on a registration system for all horses, similar to that employed by local councils for dogs."

In any consideration of the appropriate and practical mechanism for the horse industry's share of cost recovery of an EADRA the latter i.e. a Registration levy must, in our view, be considered also.

Before the WG made its announcement we wrote to the Chairman of the WG that we wished to be included on the WG in the considering the feasibility of the collection mechanism(s). In the event VMDA representation was not included on the WG. We have since written to the WG's Chairman outlining our concerns, along the above-mentioned lines.

Finally, we would appreciate being invited to make a presentation to elaborate on our submissions on this important issue on any public hearings the committee may initiate.

Yours faithfully

Ian Saunders
President