



Specialty Feeds

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Specialty Feeds Pty. Ltd.
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November 10th 2010

The Secretary
Senate Standing Committee on Rural Affairs & Transport
PO Box 6100
Parliament House
Canberra, ACT 2000

Dear Sir/Madam,

Thank you for the opportunity to present a submission on this subject. We would particularly like to address the second of the committee's terms of reference, namely the options for equitable contributions by horse owners to the levy scheme.

Whilst we are a member of, and a strong supporter of the aims of the Stock Feed Manufacturers' Council of Australia, we are not at all a typical feed manufacturer. Horse feed probably comprises less than 5% of our annual production, and the majority of that is contract manufactured, so it is unlikely that we would be responsible for collecting the levy on that portion. From this it can be seen that the impact of a levy on manufactured horse feed would have virtually no impact on our business at all, so we certainly do not support the SFMCA's submission merely on the basis of wanting to pass the problem on to somebody else. However, we believe the Council's arguments to be generally sound.

The product of the horse industry is horses, more specifically it is the activity of the horse. A horse whose racing career spans 5 years, and has perhaps 40 starts per year, would be generally deemed to be more productive than a horse who perhaps only starts 5 times before being retired for whatever reason. If that horse is a mare, and goes on to produce foals, then it is still productive. The Australian Horse Industry Council notes in its submission that it is possible for levies to be raised more than once on each horse, for example an annual levy payable with an annual registration. This would significantly increase the number of levies paid against the option of paying only once when a foal is first registered, and would spread the cost over a greater number of horses and therefore owners. A levy collected when the horse is first registered, and then annually when that registration is renewed, would be allied to that horse's level of productivity, whether the horse was a racehorse, or competing in another equestrian discipline such as dressage or showjumping.

Reviewing previous submissions to the Senate on this subject, we note that both the Australian Racing Board (along with Thoroughbred Breeders Australia) and Harness Racing Australia support the idea of a levy based on registrations. Under this scheme it seems that the racing industry would contribute more than its fair share of a levy, but in spite of that still supports this scheme over other proposals. There is certainly a strong argument in favour of horses which are more active (travel and compete more) paying a greater share of the levy than horses which stay at home and may never come into contact with another horse. Active horses present more of a



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risk of spreading disease, and would gain more benefit from a prompt and efficient response to the threat of a significant disease outbreak.

The proposals to raise levies on either horseshoes, wormers or manufactured feeds are all flawed in that they would not be equitable. O'Dwyer Horseshoe Sales Australia estimates that only around 10% of the horse population is regularly shod, and that due to a number of factors that percentage is actually decreasing. Neither the Animal Health Alliance (Australia) or the Veterinary Manufacturers' & Distributors Association quote figures in their previous submissions, but it is likely that a significant number of horses are also not wormed regularly, and there is also merit in their argument that increasing the cost of wormers might mean that horses would be wormed less often, with consequent possible damage to their health and wellbeing. The SFMCA contention that a levy on manufactured feed would be inequitable is also valid, in that it would be possible for horse owners to switch easily to feeding grains and fibre rather than manufacture feed.

There is no doubt that we in Australia are extremely fortunate to so far be free of the serious equine diseases which exist in other countries, and also that we need to use our best efforts to maintain that status. A prompt and efficient response to any potential disease outbreak is a vital part of those efforts, and this will only be assured if the horse industry becomes a signatory to the EADRA. Ultimately it might be more important that this is achieved at all rather than how it is achieved.

Yours faithfully,

Warren Potts
Managing Director