

Dissenting Report by Senator Julian McGauran

I support the principle of applying a levy upon the 'Horse Industry' so as to meet its obligations under the provision of the Emergency Animal Disease Response Agreement (E.A.D.R.A).

However, the principle to impose a levy must be supported by the principle of equity between all involved. To this end the Horse Disease Response Levy Bill 2008 does not meet the principle of equity and subsequently **I dissent from the majority recommendation.**

There are two fundamental areas where the equity test for the levy fails:

(a) The legislation imposes the levy upon the first registration of a horse. The legislation does not make the registration of a horse compulsory but provides that where horses are registered a levy is to be paid. Given the levy is to be imposed on new registrations, existing registered horses avoid any levy payment. In the thoroughbred horse industry alone this amounts to many thousands of horse owners avoiding any levy collection. Yet these owners will be prime benefactors to any emergency disease response. Clearly the main weight of meeting the payment for an industry emergency response is on a narrow sector, namely the new registrations. A more equitable system would be to impose a once only levy on existing registered and newly registered horses.

(b) Following the evidence that came before the committee I am convinced that based on equity grounds no levy or a lesser levy ought to be paid by the non-profit sector of the industry – namely the recreational horse owners.

This principle is based on the fact the greatest benefactors to any emergency response is the commercial sector of the industry. For example the outbreak of Equine Influenza 2007 witnessed a major emergency action by the Government Departments with necessary outlays of hundreds of millions of dollars to manage the crisis. The focus of the response was on the thoroughbred racing industry as not only was it the primary origin of the spread of the outbreak but also because it is a valuable commercial contributor to the Australian economy.

Therefore while it is expected that the whole horse industry would be involved in any emergency disease response, from the thoroughbred sector to the pony club sector, it is the commercial/ professional sector that should be primarily responsible for paying a future levy.

However the definition of 'commercial/professional' should be broad to include not only the thoroughbred and standard bred sector but also areas such as the tourist, equestrian and stockhorse operators/owners etc. Also it should be noted commercial/professional does not necessarily equate with profitability.

In distinguishing the recreational industry from the commercial, the Pony Club Australia submission argued:

‘In the Performance, Recreation and Hobby sector there is no end product other than the companionship and pleasure, or performance, enjoyed by the rider. In this sector the horse is commonly a much loved family pet which is not ever sold but is kept, and lovingly tended, for the whole of its life.’¹

In Conclusion

It is noted that the majority report is in agreement with the view that there is currently some inequity in the Bill as to the imposition of the levy. However the majority seeks to rely on the regulations which are introduced following the passing of the Bill to attend to this inequity question.

However equitable intent ought to be attended to at the legislative stage not at the regulation stage. The legislation stage is where the core principles are put down from which regulations are drawn up.

The majority report is putting the cart before the horse.

I cannot recommend the legislation without amendment.



Senator Julian McGauran

1 Pony Club Australia, *Submission 14*, p.6