

2008



Australians' Campdraft Association

Submission with respect to
**Horse Disease Response
Levy Bill to the
Senate Standing Committee
on Rural and Regional
Affairs and Transport.**

The ACA's proposals and recommendations
on a Levy Collection.



19/09/2008

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- A. AHIC MEDIA RELEASE
- B. LETTER TO AHIC CHAIRMAN FROM ACA PRESIDENT 10-4-08
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- E. ACA LETTER OF RESIGNATION FROM THE AHIC 19-9-08

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EXECUTIVE SUMMARY

Association Overview

The Australians' Campdraft Association Inc (ACA) is an Equine Sporting Association which has affiliated committees and members throughout Australia. The ACA consists of 260 active affiliated committees, approx 8,000 participating members and approx 10,000 registered horses. Affiliated events are conducted from capital cities to regional centres encompassing some very remote communities in regional Australia.

ACA / QHC / AHIC

The ACA is an active member of the Queensland Horse Council (QHC) and the Australian Horse Industry Council (AHIC) as well as both Industry Advisory Committees' (IAC) for these organizations.

The ACA has taken a keen interest and had an intimate involvement in the Equine Influenza (EI) incursion, Callinan Enquiry Report, subsequent negotiations on Emergency Animal Disease Response Agreement (EADRA) through participating with both QHC and AHIC at an IAC level.

The ACA has at all times followed and adhered to due process pertaining to issues relating to the Performance and Pleasure Horse Sector (PPHS) by attending various meetings with the aforementioned bodies for discussions on a wide range of issues impacting on our sector believing that industry representation would be respected in a democratic forum. Therefore, the alleged peak body for the PPHS in Australia being the AHIC would reflect honestly those views to the Federal Minister on important issues such as legislation relating to the Horse Disease Response Levy Bills.

AHIC Misrepresentation of facts to Government on EADRA

Unfortunately this has not happened due to the AHIC not accepting minuted majority decision by industry representation at its own Industry Advisory Committee meeting which failed to endorse the concept of a levy collection for horses by 13 votes to 2 and 1 abstaining. **The documented dishonesty from the AHIC has been exposed in the Federal House of Representatives by many elected members.**

The Hon. Tony Burke stated in parliament that 'this is not easy policy by any stretch of the imagination'. It is unfortunate that he has presented these bills with haste and clearly on unsound advice. Given that the government is claiming to have some agreement from industry on this, is quite alarming.

[ACA welcome Senate Committee review of Legislation](#)

The ACA congratulate the Senate for realising that there certainly was not widespread support for the concept of levy collection on 'registered' horses therefore it needed to be considered further with an appropriate process to follow.

The viability of the Performance and Pleasure Horse Sector must not be compromised for a levy collection mechanism which is currently flawed whilst under a threat from government of exposure while being outside EADRA, the solution must be equitable without being a signatory to a blank cheque. The suggestion by the Minister of a '*contingency fee*' that would be administered at arm's length from the government is also adding fuel to this fire.

The ACA now welcome the opportunity to offer direct to the Senate Committee productive quality advice and meaningful facts which are well researched by a credible industry body which will signify proper consultation.

The ACA recommend that the Senate Committee review this legislation with actual industry participants and organizations. **The position the ACA maintain is in complete opposition to EADRA which itself does encompass a collection of a levy. The Federal Minister is also suggesting 'a contingency fee' on top of that levy that would potentially fund a peak body that has proven to be not accountable to a membership of horse owners.**

[ACA background to opposition to EADRA in current form](#)

The ACA has made representation to the Office of the Hon. Tony Burke MP (Minister for Agriculture, Fisheries and Forestry), Mr Chris Trevor MP (Member for Flynn), DAFF Staff and Advisors on the 25th of June 2008, giving factual information relating to a levy collection for EADRA, identification of 'industry' and who constitutes industry versus recreational sector, overall economic and social impact on non-primary production animals and the people who own them for recreation. This was done simply because the AHIC is making false statements to the Minister on behalf of industry representation 'that it is accepting EADRA'.

The AHIC has failed in its attempt to adequately engage with participants of the equine sector to provide majority view relating to the issue of EADRA. This leaves the current proposals, struggling to have a foundation of commitment towards payment of any levy.

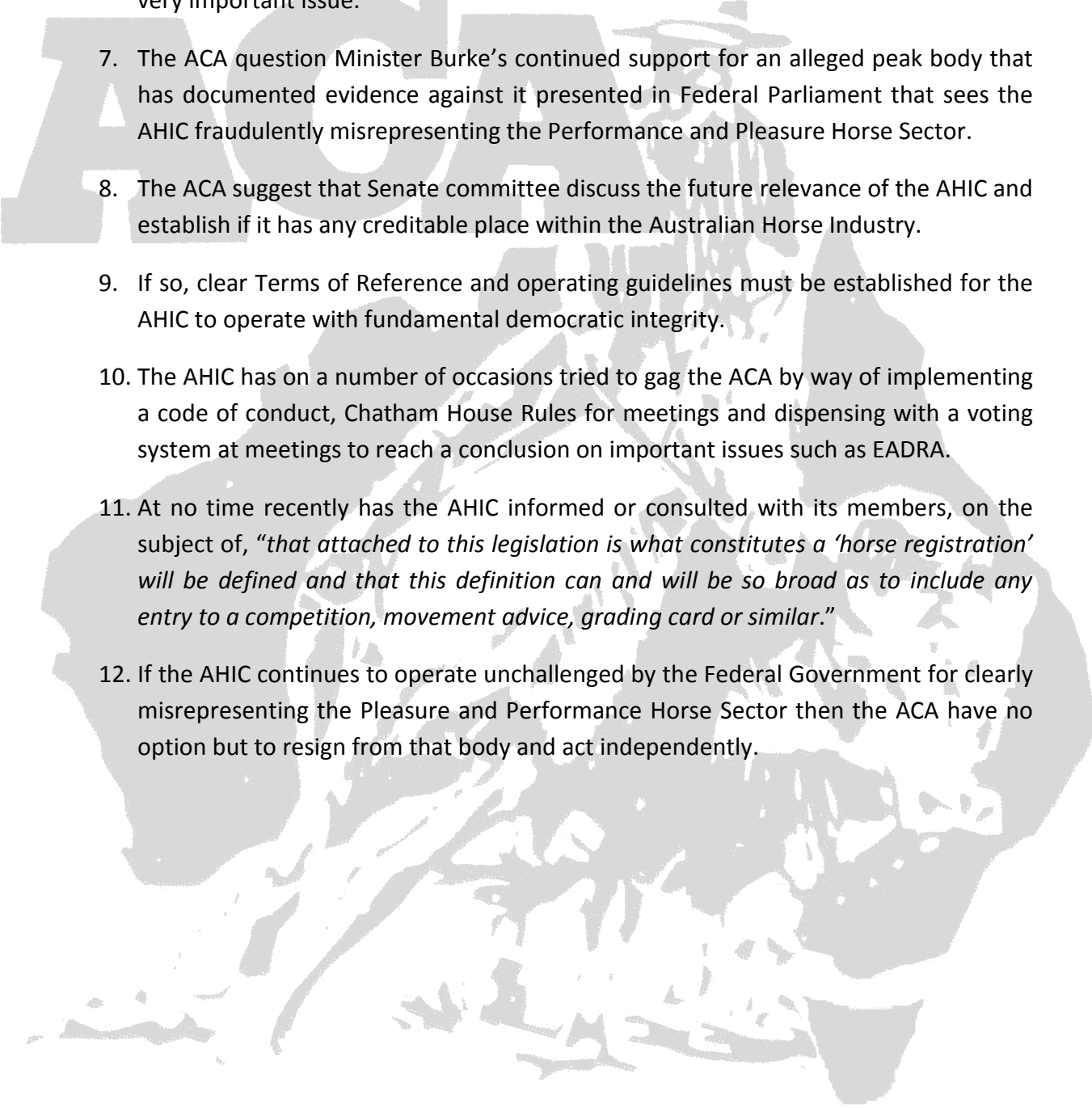
[ACA Recommendations](#)

The ACA outline alternatives and recommendations further in the submission.

We thank the Senate Committee for the opportunity to voice our concerns independently of the AHIC.

AHIC PEAK BODY MISREPRESENTATION

1. The ACA along with many other equine sporting organisations are members of both the QHC and the AHIC. Following the outbreak of EI, membership of the AHIC for our association became a central focus as peak body representation was potentially of significant importance to our members in matters relating to the horse ownership and potential regulation.
2. However, upon joining the AHIC and subsequently attending meetings of its Industry Advisory Committee, the ACA, along with many other peak horse representative bodies realised that the AHIC was driving a hidden agenda with no regard or respect for advice given to the AHIC board by the IAC and wasn't conveying this information to either the general public or the department/minister.
3. Please refer to Attachment A for a copy of a press release issued by the AHIC following a meeting of the IAC where EADRA and regulation was discussed. Attachment B & C details the ACA's response to this, which was to highlight the blatant misrepresentation of the facts, especially with respect to the industry acceptance of EADRA.
4. The AHIC for some time has been advocating the acceptance of EADRA, yet its prominence and exposure as a peak body for horses has only arisen since the outbreak of EI. The representation within the board is not indicative of the broader horse ownership population of Australia. The ACA urges Minister Burke to seriously reconsider any information supplied to him or his department by an organisation who cannot be regarded as truly reflective of its member's wishes or instructions.
5. To quote from Mr Hartsuyker's speech recorded in Hansard at the House of Representatives Federal Parliament 3rd September 2008 **'At an AHIC IAC meeting in Sydney on the 13th May 2008 the topic of EADRA was also discussed. Present at this meeting were members of QHC, AHIC, Australians' Campdraft Association, Pony Club Australia, Thoroughbred Breeders Australia, Equestrian Federation of Australia and Australian Quarter Horse Association just name a few, all on behalf of the constituents. The results of this meeting were quite interesting. Did we see an overwhelming show of support for the system of levies as currently proposed by the government, as has been claimed? No, we did not. The results of the vote, as indicated in the aforementioned document, show that 13 of the associations were opposed to any horse levy, two associations supported a horse levy and one association supported a future levy. So there was basically a vote of 13 to three against the imposition of such levies. Given that the Government is claiming to have some agreement on this. This is quite alarming. That is certainly not widespread industry support.**

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6. Furthermore, after the AHIC were exposed in Federal Parliament on the 3rd Sept 2008 they (AHIC) released a Media Release on the 5th Sept 2008 quote “The AHIC today reaffirmed its support for an equitable and broad-based industry levy.” The AHIC offer no recommendations on this subject. The AHIC have not convened a meeting with member bodies representing serious consultation with industry on this very important issue.
 7. The ACA question Minister Burke’s continued support for an alleged peak body that has documented evidence against it presented in Federal Parliament that sees the AHIC fraudulently misrepresenting the Performance and Pleasure Horse Sector.
 8. The ACA suggest that Senate committee discuss the future relevance of the AHIC and establish if it has any credible place within the Australian Horse Industry.
 9. If so, clear Terms of Reference and operating guidelines must be established for the AHIC to operate with fundamental democratic integrity.
 10. The AHIC has on a number of occasions tried to gag the ACA by way of implementing a code of conduct, Chatham House Rules for meetings and dispensing with a voting system at meetings to reach a conclusion on important issues such as EADRA.
 11. At no time recently has the AHIC informed or consulted with its members, on the subject of, *“that attached to this legislation is what constitutes a ‘horse registration’ will be defined and that this definition can and will be so broad as to include any entry to a competition, movement advice, grading card or similar.”*
 12. If the AHIC continues to operate unchallenged by the Federal Government for clearly misrepresenting the Pleasure and Performance Horse Sector then the ACA have no option but to resign from that body and act independently.

INDUSTRY or SECTOR?

1. How can recreational horse owners be defined as an industry?
2. 'Industry' as per dictionary, "any large-scale business activity"
3. The ACA and most other sporting associations are not-for-profit organisations and the ACA's affiliated events are conducted by volunteers and the ACA members attend events purely from a sporting aspect.
4. Less than 1% of ACA members are GST registered for prize money.
5. The Performance and Pleasure Horse Sector will always have a pleasure and hobbyist factor to it and very few participants rely on it for total income purposes.
6. How much is a trusted pony for a child worth? How much is a sound, reliable, trained horse worth in any sphere of the horse world? Much more than slaughter value as touted in a secondary economic factor however its worth and benefit is only to the owner.
7. The Performance and Pleasure Horse Sector is an expenditure type industry where money is always being spent on their pleasure and hobby interests not generating income like other primary industries do.
8. If the PPHS is to be considered an 'industry' then government must give tax arrangements and benefits that other industries have, to function before it can be levied as an industry.
9. Proposed levy points to reflect identifiable commercial inputs, outputs or units of value of production.
10. The Performance and Pleasure Horse owners who own a horse or horses for pleasure or a hobby are no different to people who own fowls (chooks) in the backyard versus poultry farmers. People who have chooks in the backyard are not part of an industry, unlike poultry farmers.
11. Many families who own horses in rural and regional Australia can have an activity for their children to enjoy and in many cases participate in conjunction with their children; this simply cannot be classed as conducting industry activity.
12. The GST gained from the Pleasure and Performance Horse Sector because it doesn't enjoy industry tax benefits, is far in excess of any potential levy that could be collected.

LEVY COLLECTION LEGISLATION INEQUITABLE IN CURRENT FORM

Current Legislation - Simplified

1. The collection of Horse Disease Response levies is by persons or bodies that register horses and the ability of horse registration bodies to pay the levy payments to the Commonwealth.
2. Furthermore, provides for the gathering and collection of information and documents together with the strict liability offence for failure to comply with an information request.
3. It is intended that, a horse disease response levy at the time of the horse's first registration with a horse organisation body.
4. No levy is imposed for any subsequent registration of a horse even if it is registered with a separate organisation.

Furthermore, we have been advised that attached to this legislation is what constitutes a 'horse registration' will be defined and that this definition can and will be so broad as to include any entry to a competition, movement advice, grading card or similar.

It is easy to say it will only apply when a horse is first registered with a horse registration body and will not apply to any further registrations even with a separate organisation but the ACA feel it will be very difficult, time consuming and costly for horse registration bodies to source, confirm and retain the records proving a previous registration and levy payment. There is then the work involved in accounting for payments and forwarding the money on to the Commonwealth with the appropriate supporting documentation.

Current Legislation - Flawed

There is no way the EADRA and subsequent levy collection can work especially if it is broadened to include any entry to a competition, movement advice, grading card or similar. It can only be done by electronic identification of all horses that would be recorded on a central database.

This cannot be allowed to happen because it will be too costly to horse owners to have their horses microchipped hence it will then cripple horse organisations.

Performance and Pleasure Horse events and associations would be decimated through such inept legislation.

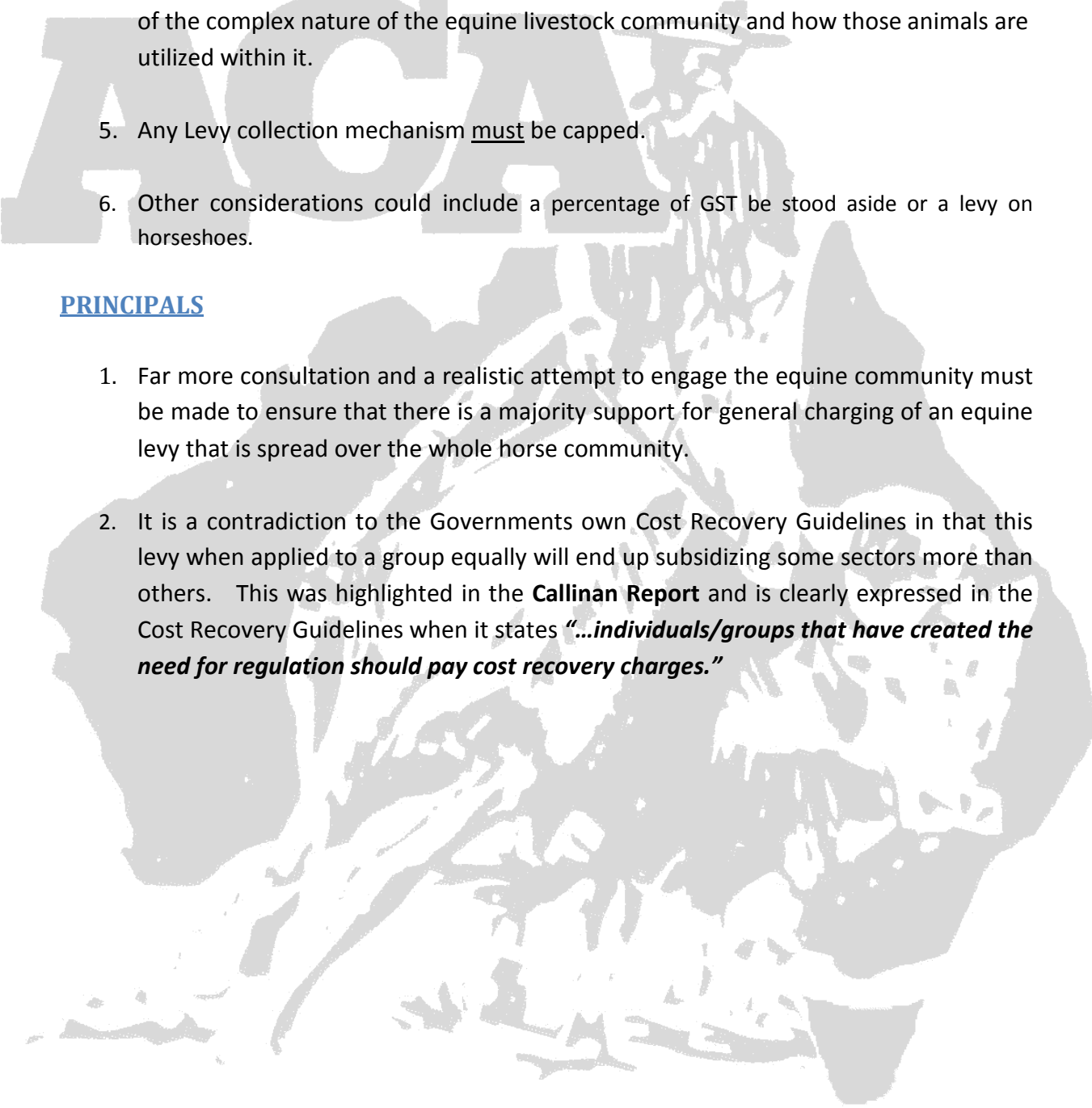
FUTURE LEVY PRINCIPALS

Guidelines

1. Proper consultation with all intended prospective levy payers must be undertaken.
2. Demonstration of a significant majority on the imposition of a levy and collection mechanism.
3. Design a levy system that gives equity.
4. Application and collection of the levies does not place additional burdens on associations and/or societies, families, volunteers, disadvantaged groups and recreational sports people.
5. That the funding system is aimed at those who create the risk and provide the need for the principles of a levy for the Equine Community.
6. That the annual importation of Shuttle stallions is included in any levy.
7. Category 4 equine diseases re-categorised as (minimum) Category 3 diseases immediately for future incursions.
8. **That Animal Health Australia adjusts the regulations to fee collection in recognition of the complex nature of the equine livestock community and how those animals are utilized within it.**
9. Only commercial 'industries' should be involved in EADRA without exemptions.
10. The majority of intended '**potential levy payers**' do not create the need for regulations, do not create the risk of disease and do not run commercial businesses derived from their horses, and are, in actual fact, the unfortunate recipients of other peoples commercial risk taking behaviour.

Levy Structure Recommendations

1. A 1% levy included in a service fee paid at the point of joining a mare to a registered Thoroughbred Stallion verified as per stallion returns, The leader of the National Party, Minister Truss, stated in Hansard on the 1st September, 2008, that approximately 29,070 thoroughbred mares produced 17,854 foals in 2005-6, of which only 13,618 were registered. **Including the levy at the point of service ensures that the levy reflects the true nature of the commercial risk taking behaviour rather than the net result of foals registered.**
2. A 10 cent levy be included on all TAB bets placed during a period that an EADRA cost recovery program is in place. This could be continued outside of these cost recovery periods to assist in building a reserve for the industry and a basis for research.

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3. By structuring the levy in the above format, avoids placing undue hardship on the Pleasure and Performance Horse Sector whose horse owners may only have one or two horses and places the brunt of responsibility on the more profitable and riskier end of the equine industry.
 4. That Animal Health Australia adjusts the regulations to fee collection in recognition of the complex nature of the equine livestock community and how those animals are utilized within it.
 5. Any Levy collection mechanism must be capped.
 6. Other considerations could include a percentage of GST be stood aside or a levy on horseshoes.

PRINCIPALS

1. Far more consultation and a realistic attempt to engage the equine community must be made to ensure that there is a majority support for general charging of an equine levy that is spread over the whole horse community.
2. It is a contradiction to the Governments own Cost Recovery Guidelines in that this levy when applied to a group equally will end up subsidizing some sectors more than others. This was highlighted in the **Callinan Report** and is clearly expressed in the Cost Recovery Guidelines when it states “***...individuals/groups that have created the need for regulation should pay cost recovery charges.***”

CURRENT LEVY COLLECTION MECHANISM FUNDAMENTALLY FLAWED

The only way a levy collection on horse registration system can work is with a regulated horse industry, this will see horse owners being subjected to more financial pain than EI ever inflicted. A partially regulated horse industry would not deliver the required funds or control of horses required by government. The AHIC do appear to support a mandatory system of electronic identification for all horses and requires a working solution to ensure that legislation is passed for the alleged benefit of the National Horse Industry.

A simple levy system needs a regulated collection mechanism to function. To be effective this levy collection mechanism has to be compulsory.

A regulated system would require,

1. Compulsory micro chipping of all horses in Australia
2. Registration of all micro chipped horses
3. A database to record those micro chipped horses together with owners
4. Registration of subsequent changes of ownership
5. Recording all horse movements
6. A levy to fund and manage this system (charged at a point of registration)
7. A system of scanning horses to record movements
8. Registration of horse events
9. A system of scanning horses at horse events
10. A paper trail to support horse movements

This system is **fundamentally flawed** because only those horses that need to be transported or used for breeding purposes will be micro chipped. The number of horses which do not fit into either of these categories represents a significant portion of the horse population and there are no means to ensure such horses would be micro chipped and recorded. In the event of a disease outbreak such a flawed and ineffectual data base of information is useless. In this mix of bureaucracy is mention of passports for individual horses.

NLIS Cattle has proven to be flawed with movements of cattle being lost in the system and black holes with untraced cattle, lifetime traceability is jeopardised with loss of tags and contaminated information. NLIS Cattle is based on cattle moving on average five times in their life time, yet even with such few movements the aforementioned difficulties occur. A NLIS type system for horses would have greater logistical traceability issues given an average horse in general terms would be moved many more than five times in its lifetime.

EI was eradicated by initiating a system of lockdown and vaccination of horses in a buffer zone and traceability of movements through permits and waybills.

If the Thoroughbred Industry continues to refuse to allow imported frozen semen to be used for breeding (unlike all other horse groups) and promotes the use of imported shuttle stallions then that industry alone should be responsible for the equine influenza reimbursement. This could be a levy specific to the racing industries and their associated breeders, further a levy could be imposed on TAB bets to assist the racing industry in payment.

The owners of shuttle horses entering Australia in the future should have insurance to cover situations where such animals may carry disease into the country. This would then eliminate the need for levies on the innocent parties of the equestrian community who suffer from such introduced diseases.

The principle of the 'POLLUTER PAYS' should be adopted, that is, those who generate pollution and waste should bear the cost of containment, avoidance and abatement.

The statement that Horse owners should reimburse the tax payer for the control of EI is contradictory in the fact that horse owners are tax payers and the benefits of the control of the disease reach much further than horse owners themselves.

Are the Australian Racing Board and the Australian Harness Racing Association, two of the three peak bodies who are to be signatories to EADRA? Are these two bodies responsible for horse registrations within their respective industries? If not, then the current levy collection mechanism proposal is totally flawed.

Therefore, the ACA remain opposed to EADRA in its entirety.

THE WAY FORWARD

The horse industry has already suffered enough without inflicting itself with more pain. The current system of waybills for tracing of horse movements is proving to be satisfactory. The protocols in place now, which are practical and un-intrusive, are what the people in charge of disease management (DPI&F) consider effective.

The DPI&F have significantly more information through proper consultation with industry now that they are listening to peak horse industry bodies.

Each breed society and sporting association has horse registration records and this information is readily available to the DPI&F. It has been suggested that this information cannot be collated in an orderly way however,

All horse owners have:

1. A name
2. Address
3. PIC
4. Waybill book
5. Relevant information on any registered horses

All horses have:

1. Unique identification (brand)
2. A name
3. Reside at a PIC
4. Have their movements recorded in a waybill book.

With the above information at their disposal a tally of horses would be possible.

Traceability of horse movements is simply achieved as each PIC has a waybill book.

An un-intrusive means to obtain a tally of the horse population would be acceptable without an attached levy.

There are ways and means the government can collate information they need such as where horses reside with existing PIC numbers and how many horses there are at these PIC numbers by simply asking the question of all owners or managers of the PIC numbers.

RECLASSIFICATION OF ALL CATEGORY 4 HORSE DISEASES TO CATEGORY 3.

Categorizing disease has an influence on the quantum of funding that needs to be recovered or accumulated in order to respond to disease outbreaks. To use the EI outbreak as an example, while the commercial horse industry may have lost income and now has a renewed focus on its activities, the rest of the equine community has suffered enormous socio-economic consequences. This was clearly highlighted by Member for Calare, Mr. John Cobb, when he outlined the financial burden of the stand down and subsequent quarantine of Parkes Showground for a number of months. He states that the Parkes Show Society (a volunteer, not-for-profit organisation) has lost approximately \$80,000 in unrecoverable money as a result of EI. (Hansard, 3rd September, 2008) It does not take into consideration the expense and heartbreak experienced by people who were quarantined there with their livestock.

This latest incursion only occurred in 2 states but effectively shut down an entire nation. The commercial horse racing industry was assisted in working around the disease to keep it running, and offered assistance at many different levels. In comparison, the rest of the equine community was effectively shut down. The disease halted an entire show and breeding season nationwide and caused enormous financial hardship to secondary industries such as saddleries, riding instructors, farriers, rug repairers, etc. It caused financial hardship for not-for-profit sporting organizations and societies who rely on annual events to generate their meagre budgets which are used to keep the social fabric of the community together.

The Callinan Report highlighted the Australian Bureau of Agriculture and Resource Economics (ABARE) modeling that was done on the post EI impacts. It estimated the cost of the EI outbreak “to have reached \$560,000 per day for disease control and \$3.35 million a day in forgone income in equine businesses”. The report also indicated that equine export market ceased as of 6th September, 2007 and did not resume again until approximately March, 2008 showing a clear disruption to international trade. Add to this the emotional hardship of being separated from families or livestock for months on end and EI has shown that the AUSVET plan and EADRA classification of diseases has seriously underestimated the social and economic impact of any equine disease incursion.

The breeding season for the top 120 stallions as of the 1st June, 2007 (2006 breeding season) had a total income of \$443,889,850.00 (advertised rates: - Thoroughbred Breeders Association website).

House of Representative Hansards for the 1st - 3rd September, 2008 inclusive, has commented frequently on how lucrative the Racing Industry is and how important it is to

the Australian Economy. Minister Tuckey (Hansard, 3rd September, 2008) indicated that the total amount of levies raised last year from gambling on Australian Racing by the States and Territories was \$589.45 million. However, the Government would be unable to incorporate income derived from gambling into a Cost Sharing Deed because Animal Health Australia stipulates that the levy must be generated directly from income derived from the animal and not secondary activity (eg. Point of sale, registrations, etc not betting).

Therefore, Animal Health Australia needs to adjust the regulations to fee collection in recognition of the complex nature of the equine livestock community.

HORSE LEVY IMPACT on ACA

FINANCIAL IMPACT

The ACA have approx 10,000 registered horses in total. Approx 550 horses are new registrations. It would appear that approx 40% percentage of these horses would be registered with a breed society prior to being registered with the ACA.

The 60% of horses that are not registered prior to reaching the ACA when faced with the choice of being burdened with a levy or not will clearly not choose to register their horse as opposed to paying the nominal registration fee plus cost recovery levy for the chance to be potentially involved in the ACA Horse Points Awards.

Notwithstanding, that attached to this legislation is what constitutes a 'horse registration' will be defined and that this definition can and will be so broad as to include any entry to a competition, movement advice, grading card or similar.

DECIMATION OF THE SPORT OF 'CAMPDRAFTING'

Not only will the ACA Horse Points Awards virtually cease to exist overnight, which is one of the more prestigious Awards with the ACA Awards system, the ACA will cease to exist if a **'horse registration' will be defined and that this definition can and will be so broad as to include any entry to a competition, movement advice, grading card or similar.**

The sport of 'campdrafting' will be decimated if the horse registration definition is to broaden to such an extent to include 'entry into a competition, movement advice' etc.

SOCIAL IMPACT

When people have their social rights invaded by Government's need for greed in the form of an unjustified levy (tax) then they will simply move onto another form of sport or pleasure that is affordable. Unfortunately, rural and regional Australian's have little to choose from in the form of social and community events as opposed to their cousins in the cities. Most rural and remote communities would have less than 10 annual sporting events for adults to attend and/or participate in, whereas, in metropolitan centres upwards of 50 sports and activities would be available for social and sporting interaction.

CONCLUSION

ECONOMIC IMPACT SURVEY

The levy collection mechanism proposed in the legislation is very mono-directional and small in scale/scope. The proposal overlooks the reality of the costs involved in exotic disease control and cleanup, as even the AHIC's own figures suggest that this would only raise between \$500,000 and \$600,000 per year. Over ten years this would equate to a maximum of \$6 million dollars; a far cry from the amount that would have been required to clean-up EI had the Federal Government elected to force the industry to pay.

The target group for the levy is minute when considering the entire horse world in Australia. And since it is not compulsory for horses to be registered in the majority of recreational horse activities, the numbers that are currently included in initial annual registrations would fall away severely in the event that the proposed levy was ever enacted; once again leaving a gaping hole in the repayment structure. There needs to be an in depth economic impact survey carried out within the entire horse world to ascertain the impact of the proposed levy and if it was enacted what changes horse owners/organisations would make to the standard operating procedure. Logical application of the levy would translate to a severe reduction in the number of registered horses.

LEVY OPTIONS

A possibility that has been floated (but not used in the legislation) is a horse shoe levy. Common logic shows us that there are more horses shod every year than there are registered for the first time, there are only five importers and no local manufacturers of horse shoes (so collection is simplified) and the dollar figure that would be required to be paid per set of shoes to collect the same amount of money as the proposed levy would be minimal. So horse owners wouldn't be required to pay a large one-off fee, rather a substantially smaller on-going fee. This option once again would fail to adequately collect the required sum of money in a ten year time frame, but has factored in the capability to adjust without inflicting severe economic harm. And unlike registrations which are not compulsory, shoeing is a necessity.

A similar idea would be a 10 cent levy included on all TAB bets placed, and/or a horseshoe levy. This could be to assist in building a reserve totally separate to EADRA for an industry contingency fund, it could serve as a fund for research.

In order for this to happen, Animal Health Australia would need to adjust the regulations to fee collection in recognition of the complex nature of the equine livestock community.

SECONDARY LEVEL LEVY OPTION

The idea of a 'secondary level levy' is it takes away the complexities of levying the 'product' within the total horse industry and the issue of differentiating between commercial and non commercial, industry and sector, business registered and pleasure, exemptions for sections of the racing industry and levying children's horses, etc.

A secondary level levy would be very simple to collect through a small bottleneck without adversely affecting equine associations and societies.

ADMINISTRATION

The impact on the administration to breed societies and sporting organisations would be negated by the non horse registration levy options. These organisations are already overtaxed in the time required to run organisations in the modern litigation and red tape environment without adding another layer and cost structure to their operational streams. It stands to reason that clubs and societies would need to charge a collection fee as the time and cost required in collection, reporting, auditing and government oversight forms would be high; especially in small to medium organisations who operate on a shoestring budget.

The Australian Racing Board has already recognized the significant benefits of disease management. They are astutely aware of the need to embrace the Performance and Pleasure Horse Sector to share the burden of cost sharing in an EADRA arrangement for the future. It would be expected that the application of the levy would be economically and equitably applied to other sectors of the racing industry such as breeding mares and shuttle stallions.

Not with standing, that attached to this legislation is what constitutes a 'horse registration' will be defined and that this definition can and will be so broad as to include any entry to a competition, movement advice, grading card or similar.

Therefore, we continue to oppose the Horse Disease Response Levy Bill 2008 and related bills in their entirety.

The reason simply being, it will spell the end of our strong and viable equine sporting association.

Australia was explored and developed with horses and they are still very important and used in a practical way in industries such as beef cattle, sheep and wool, saleyards, feedlot and meat processing plants. The Australian cultural experience of owning a horse for performance or pleasure is in jeopardy because levies (taxes), regulation and compliance will overtake a simple pleasure.

FINAL RECOMMENDATIONS

AHIC

1. The ACA has no confidence in attending any further AHIC Industry Advisory meetings under its present constitutional structure. Because of its lack of relevance and its unprecedented undemocratic process of properly consulting with and misrepresenting 'industry' we therefore recommend that, the **Federal Government accept no further advice from the AHIC** on behalf of 'industry' with regards to the Animal Disease Response Bills.
2. The Federal Government in consultation with horse sector representatives design 'terms of reference' for the AHIC to operate within.

LEVY COLLECTION MECHANISM

1. That Animal Health Australia adjusts the regulations to fee collection in recognition of the complex nature of the equine livestock community.
2. A 10 cent levy be included on all TAB bets placed, and/or a horseshoe levy. This could be to assist in building a reserve for the industry and a fund for research.
3. Any Levy collection mechanism must be capped.
4. The ACA is opposed to EADRA in its entirety because it is unworkable.



AHIC MEDIA RELEASE - AHIC INDUSTRY ADVISORY COMMITTEE AGREES IN PRINCIPLE TO EADRA LEVIES - 4 APRIL 2008

On Wednesday this week the Australian Horse Industry Council's Industry Advisory Committee met and discussed the proposed Emergency Animal Disease Response Agreement (EADRA) and horse levy Bills.

Following the recent Equine Influenza scare, this proposal of a levy to pay for disease outbreaks was a topical issue, which took most of the groups' attention.

Consultant, Dr Geoff Neumann former CEO of Animal Health Australia explained how levies work for other livestock industries. He said, "EADRA not only provides certainty of funding for the initial response to a disease outbreak, but it ensures that a response is managed in a uniformly and agreed manner, and that standards for providing resources, training, accounting and auditing are applied."

After much discussion and clarification, the IAC agreed unanimously that there was a need for a levy system in the horse industry, and that being a signatory to EADRA was essential to 'future proof' the horse industry against the effects of exotic disease incursions. The IAC agreed that the levy should be broad based, with a large number of people paying a levy in order that the amount can be kept to a minimum.

Dr Barry Smyth, President of the Australian Horse Industry Council, said yesterday, "It is a great step forward that the IAC has agreed in principle with the concept of the levy. This reaffirms the decision made in 2006 after widespread horse industry consultation. There remains a healthy debate over what levy might be imposed, and how it would best be collected. We are promoting active discussions on this issue, and will be looking for input from horse organisations on what is a fair and equitable levy, and how it might best be collected."

Other topics of discussion were communications within the horse industry, government relationships, and a national horse identification and database scheme.

This was the Industry Advisory Committee's second meeting, and it expects to be convened a number of times each year. This group is comprised of the largest AHIC member groups and State Horse Councils. It has been constituted to advise the AHIC Board on all matters to do with the horse, and represents a very large part of the active participants in horse industry organisations in Australia.

There were a variety of sectors present at the IAC meeting, including: Arabians, EFA, Thoroughbred Breeders, Stock Horses, Quarter Horses, Polocrosse, Campdraft, Welsh Pony and Cob Society, Pony Clubs Australia, Queensland and SA Horse Councils, Riding Pony Stud Book and the Campdraft and Rodeo Association.



Attachment B.

Australians' Campdraft Association

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Dr Barry Smyth
Chairman of the AHIC
P.O.Box 2132
GEELONG VIC 3220

10-04-2008

Dear Dr Smyth,

Chairman; Australian Horse Industry Council,

On behalf of the Australians' Campdraft Association I am obliged to register my disappointment and objection in relation to a number of issues with the AHIC, in particular the Industry Advisory Committee (IAC) meeting on the 4th of April 2008 in Sydney and the AHIC media release of the same date.

1. The AHIC media release dated 4th April 2008 stated, 'after much discussion and clarification, the IAC agreed unanimously that there was a need for a levy system in the horse industry, and that being a signatory to the EADRA was essential to 'future proof' the horse industry against effects of exotic disease incursions.' This statement is very simply incorrect. At the IAC on 4 April, 2008, there was considerable opposition to such a levy and to suggest there was unanimous consensus does not accord with what occurred at the meeting or the minutes of the meeting.
2. **Not once in the meeting did the Australians' Campdraft Association (ACA) agree in principle or vote in favour of such a concept in fact we continually outlined how signing the Emergency Animal Disease Response Agreement (EADRA) and a levy system was fundamentally flawed and practically unworkable.**
3. Please withdraw immediately the notion that the Australians' Campdraft Association were party to any unanimous agreement to sign the EADRA and agree to a levy system.
4. The ACA is also concerned about the manner in which the meeting was convened and conducted in relation to EADRA and horse levy bills, it was obvious from the outset of the meeting that there was a set agenda designed to achieve an outcome for an agreement for EADRA and numerous levies to be imposed upon the horse industry at large. Dr Barry Smyth did not appear to facilitate the meeting in manner allowing an equitable contribution from those attending and gagged much of the discussion.
5. Further, the meeting agenda was poorly presented with an almost complete lack of information pertaining to the agenda. The presentation by Consultant Dr. Geoff Neumann and former CEO to Animal Health Australia was in itself very informative but obviously part of a conditioning process to promote and facilitate a desired outcome. Handout papers such as the minutes of the National Horse register Working Group and the Australasian Animal Registry was information that should have been included with the agenda, both these items were a surprise to me as the president of an association who is a member of the AHIC, these documents have been in existence for a long time dated December and September respectively.
6. The meeting itself was poorly conducted with very little meeting procedure notwithstanding some attendees being continually being spoken over the top of and rudely interrupted whenever they tried to outline an opposing view to the pre determined agenda.



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7. Communication was an agenda item and was referred to in the media release yet, I had to receive my IAC meeting agenda and AHIC media release from a source other than the AHIC, considering that the ACA have paid \$1650 to have a seat at the IAC illustrates the poor communication skills of the AHIC. I checked the details on the contact sheet handed around at the IAC meeting and the ACA details were in order. (I have since received the AHIC media release from AHIC.)
8. The ACA is also concerned about the composition of the AHIC and the possible conflict of interest by some members, further there is a lack of representation of the actual horse industry by attendees of the IAC. Many of the AHIC board members actually do not represent in the Australian horse industry i.e. veterinarians and CEO's of associations and societies.
9. It is very difficult to comprehend how veterinarians are answerable to a membership of actual horse owners, and how it could be said that they actually represent any horse owners at all. It would seem that they are only service providers, albeit important service providers. In relation to a CEO of an organisation, they are not horse owners, but are organisation representatives, yet most members of those organisations, (e.g. horse owners) whom these CEO's allegedly represent are blissfully unaware of the direction that these CEO's are taking them.
10. The decision on the signing of EADRA and a levy collection must be based on facts and figures and there was no data presented at the IAC meeting to support such a levy system. The idea that we, members of the AHIC are to sell this concept to our associations is ridiculous in the extreme for that very reason, we have not been provided with one piece of sound information or financial data on the issue.

Questions that were consistently raised at the meeting in relation to a levy being required in the first instance considering the Horse industry is a expenditure type industry not a income derived industry were brushed aside with little consideration at the forum because of some perceived threat from a federal department.

The association I represent which consists of horse owners' demand that the peak body represent their interests and challenge the government on many issues such as improvements within AQIS and DPI both of which are outside of our organisation's control. The AUSVET Plan and EADRA clearly need addressing in terms of content before they are brought to any table for negotiation. Further, we do not need to tax ourselves in the form of a levy; the government are experts in this field.

The summary of my concerns is that I would like to see a forum where a pathway forward is established for the whole of the industry. The forum should be comprised of true horse owner representatives to consider any issues that are relevant to the horse industry and such representatives should be provided with information that sets out any format and/or formulation for future planning plus the financial data and figures to support any future concept. Loaded meetings with a pre determined agenda decided upon by people with perceived or potential conflict of interests, without valid supporting documentation and data can only lead to bad decisions being made for our industry.

Please understand the comments made are not in any way directed as personal attacks but are made in the context of objectivity in a corporate sense. Considering the importance of the Horse Industry to the economy of Australia and to the individuals who choose to participate in an Australian Cultural experience of owning a horse for pleasure, performance or industry use, it is vital that an equitable balance is maintained in decision making. The way forward is difficult however horse owners should not be taken for granted or treated with token disdain when their views do not accord with the agenda set by a clique of vets and C.E.O's, who think they know best, and who have not consulted with the very horse owners who will ultimately be financially affected by the outcome of any decision made by the AHIC.

Yours Sincerely,

Noel Chiconi
President of the Australians' Campdraft Association



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Australians' Campdraft Ass Inc - Media Release 14/04/2008

ACA objects to distortion of facts from Australian Horse Industry Council

On the 4th of April 2008 the Australian Horse Industry Council's Advisory Committee met and discussed the proposed Emergency Animal Disease Response Agreement (EADRA) and horse levy bills in Sydney.

Following the recent Equine Influenza scare, this proposal of a levy to pay for disease outbreaks is a topical issue, which takes most of the groups attention.

Representatives from the ACA attended this meeting with a view on this issue of total unfairness to the horse industry.

The ACA consistently questioned a levy being required in the first instance considering the Horse industry is a expenditure type industry not a income derived industry were brushed aside with little consideration at the forum because of some perceived threat from a federal department if the Horse Industry does not sign EADRA. The decision on the signing of EADRA and a levy collection must be based on facts and figures and there was no data presented at the IAC meeting to support such a levy system.

The AHIC released a statement dated 4th April 2008, 'after much discussion and clarification, the IAC agreed unanimously that there was a need for a levy system in the horse industry, and that being a signatory to the EADRA was essential to 'future proof' the horse industry against effects of exotic disease incursions.' This statement is very simply incorrect. At the IAC on 4 April, 2008, there was considerable opposition to such a levy and to suggest there was unanimous consensus does not accord with what occurred at the meeting or the minutes of the meeting.

The ACA have requested the AHIC to withdraw immediately the notion that the Australians' Campdrafters Ass Inc were party to any unanimous agreement to sign the EADRA and agree to a levy system.

The ACA which represents and consists of horse owners' demand that the peak body represent their interests and challenge the government on many issues such as improvements within AQIS and DPI both of which are outside of our organisation's control. The AUSVET Plan and EADRA clearly need addressing in terms of content before they are brought to any table for negotiation. Further, we do not need to tax ourselves in the form of a levy; the government are experts in this field.

The ACA is also concerned about the composition of the AHIC and the possible conflict of interest by some members, further there is a lack of representation of the actual horse industry by attendees of the IAC. Many of the AHIC board members actually do not represent in the Australian horse industry i.e. veterinarians and CEO's of associations and societies.

It is very difficult to comprehend how veterinarians are answerable to a membership of actual horse owners, and how it could be said that they actually represent any horse owners at all. It would seem that they are only service providers, albeit important service providers. In relation to a CEO of an organisation, they are not horse owners, but are organisation representatives, yet most members of those organisations, (e.g. horse owners) whom these CEO's allegedly represent are blissfully unaware of the direction that these CEO's are taking them.

The ACA are one of the very few groups that are questioning and objecting to the concept of a levy system. If a system of levy collection is required of the Australian Horse owner this then means that another fully regulated industry is born. Compulsory micro chipping and registration of all horses in Australia will be minimum requirements of NLIS Horse. There will be more than one levy to fund EADRA, AHIC and management of a database system and it will be much more than \$10 per horse.

The concept of horse owners having to bear the huge costs of fighting EI via a levy on horse registrations is ludicrous. The benefit of disease control extends not only to owners horses and but to people outside the industry as well. The categorisation of EI and other diseases is highly debateable with the socioeconomic impact indirectly, affecting many more people and businesses than those in the horse industry.

The statement that Horse owners should reimburse the tax payer for the control of EI is contradictory in the fact that horse owners are tax payers and the benefits of the control of the disease reach much further than horse owners themselves.

I strongly urge every horse owner in Australia to ask of whatever horse group they may be involved with to question their associations position in relation to this issue. If you find that the answer is unacceptable then it is up to you as a member to speak out and stand up for what is right or else we will be hit much harder than EI ever hit us.

Noel Chiconi
President of the Australians' Campdraft Ass Inc



Attachment D.

Australians' Campdraft Association

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9 September 2008

ACA Welcomes a Respite in the Overheated Horse Levy Debate

The Australians' Campdraft Association Inc (ACA) congratulates the Senate on intervening to inject common sense into the debate over the introduction of a horse disease levy across Australia.

ACA President, Noel Chiconi, said today's decision to refer the package of 'Horse Disease Response Levy Bills' to the Senate Standing Committee for Rural and Regional Affairs and Transport is a positive move.

"We now have a chance to rectify a flawed levy and collection mechanism which could destroy the viability of the Performance and Pleasure Horse Sector if introduced in its current form."

Mr Chiconi says under the current proposal the performance and recreational horse sector is being disproportionately slugged with the cost of responding to a future exotic disease outbreak like Equine Influenza.

He said the Horse Disease Levy Bills have passed through the House of Representatives, yet the focus of the debate preceding vote was not on the merits of an Emergency Animal Disease Response Agreement (EADRA) itself, but on the Levy Collection Mechanism clauses within it.

"Revision of the proposed levy collection mechanism is integral to EADRA being accepted by the Performance and Pleasure Horse Sector," said Mr Chiconi.

He noted that "the Minister realised that there certainly was not widespread support for the concept of levy collection on 'registered' horses" and therefore more consideration needs to be given to devising an unbiased system for all.

"The solution must be equitable without recreational horse owners across the country being made the signatories to a blank cheque."

He said the suggestion by Federal Agriculture Minister, Tony Burke, of a '*contingency fee*' that would be administered at arm's length from the government is also adding fuel to this fire.

"We're extremely concerned about the possible use of the contingency fee to fund a peak body which is not accountable to a membership of horse owners."

Mr Chiconi said it is understood that the Senate Committee will now review the current legislation with actual industry participants and organizations who would be responsible for collecting an EADRA Levy.

"The ACA welcomes the chance for proper consultation and the opportunity to directly offer the Senate Committee productive, quality advice and meaningful facts which are well researched by a creditable industry body."

ACA Media Contacts

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Attachment E.

Australians' Campdraft Association

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19th September 2008

Australian Horse Industry Council
PO Box 2132,
Geelong VIC 3220

Attention Chairman and Directors,

The Australians' Campdraft Association Inc (ACA) has no confidence in the Australian Horse Industry Council (AHIC) because of it's of misrepresentation of 'industry' to the Commonwealth of Australia.

The documented dishonesty from the AHIC has been exposed in the Federal House of Representatives, this has happened due to the AHIC not accepting minuted majority decision by industry representation at its own Industry Advisory Committee meeting which failed to endorse the concept of a Horse Disease Response Levy for Horses.

The ACA have no option but to inform the AHIC that it (ACA) withdraws its membership of the AHIC IAC, resignation effective immediately.

Furthermore, the ACA advise the AHIC that it has no authority to represent the ACA in any way whatsoever with regards to the signing of EADRA or any other matter.

Yours Sincerely,

Noel Chiconi
President of the Australians' Campdraft Association Inc.



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