

The Equestrian Federation of Australia

National Office, Unit 7, 11 - 21 Underwood Road
Homebush, NSW, 2140

PO Box 673, Sydney Markets, NSW, 2129

Telephone +61 2 8762 7777

Facsimile +61 2 9763 2466

www.equestrian.org.au

ABN 19 077 455 755

Mr John Carter

Secretary

Senate Employment, Workplace Relations and Education Committee

Ph: 02 6277 3520

Fax: 02 6277 5706

Email: rrat.sen@aph.gov.au

22 September 2008

Dear Mr Carter,

Summary Submission to the Senate Review Committee for Rural and Regional Affairs and Transport

This is a summary submission encapsulating the principal issues that need to be considered before a mechanism for the recovery of costs incurred to contain and eliminate the disease in a future outbreak.

We agree with the general description of the horse sector and arguments expressed in the submission by Kelly Gannon to this Committee. Ms. Gannon has done an admirable job in raising the concerns of the leisure horse sector that makes such a great contribution not just to the Australian economy, but also provides sport and enjoyment to so many individuals of all ages and maintains Australia's great tradition of horsemanship.

The EFA agrees that when there is an outbreak of an emergency animal disease such as Equine Influenza affecting the horse sector there is a need for ALL participants in this sector, who benefit from the response, to make an equitable contribution to the recovery of costs incurred. We also know that whatever mechanism is found and however "equitable" it might be, it will not be welcomed by our members.

Our support for a contribution by these beneficiaries towards the cost of combating a disease outbreak is dependent on three factors.

1. The re-categorisation of Equine Influenza under the Emergency Animal Diseases Response Agreement (EADRA) to a higher category, to give proper regard to the serious economic consequences an outbreak of the disease has. We believe that there is a categorisation review underway but are not aware of its outcome.
2. The size of this contribution applicable to each sector or group and the basis and method of its collection needs to be resolved. The approach of the draft legislation presently before Parliament tars every horse owner with the same brush and forgets that there are many others that benefit from ensuring that disruption to the horse sector through movement restrictions and other controls does not again result in massive damage right across the board. We must also avoid circumstances where only a

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privileged few benefit from the support measures that the various governments may provide.

3. The current GVP “obsession” of trying to make the horse sector fit the model of true primary producers (cattle, pigs, sheep, poultry, eggs, etc.) seems to be misdirected as a result of a lack of understanding of the horse “industry” in general. The horse industry needs another measure.

We urge the Government to commission a new study of all horse sectors that

- Identifies its unique features;
- Establishes the size of the various sectors using a number of Measures;
- Quantifies its contribution of these sectors to the national economy (GNP);
- Identifies the groups and institutions that derive substantial benefits from their operations within and from the horse sectors; and
- Proposes mechanisms of measuring its “value of production” or finds an alternative method.

It is only then that an attempt can be made to find suitable mechanisms for the recovery of EADRA-related costs following a disease outbreak.

The beneficiaries of a disease response do not just include horse owners, the great majority of whom do not make any financial gains from their involvement as their horses are ‘pets’. They pay constantly for the pleasure of owning a horse. One needs to ask: “Why is the racing sector flourishing?” It is because people enjoy going to the races, like to place bets and many other pleasures of racing. Racing exists to satisfy the needs of these people. Do these people “benefit” from a prompt response under the Ausvet Plan to a disease outbreak? Yes. So we need to ask: “Could the levy be a small levy on each bet?” Millions could be generated very quickly. Yes, there would be other issues that would need to be resolved (State Government agreement, etc.) but we need to think outside the GVP “square”.

Contributions by the horse sector must be equitable and must bear a relation to the income gained from a group’s involvement in the industry and ability to pay and possibly to any nexus with the outbreak itself.

Only then will the EFA be able to support a levy mechanism that we can apply in a fair and accountable way to our members.

Yours sincerely,



Franz Venhaus

CEO