

18 September 2008

Mr John Carter
Committee Secretary
Senate Rural and Regional Affairs and Transport Committee
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

By email rrat.sen@aph.gov.au

**Subject: Inquiry into Inquiry into Horse Disease Response Levy Bill 2008;
Horse Disease Response Levy Collection Bill 2008, and Horse Disease
Response Levy (Consequential Amendments) Bill 2008**

Dear Sir

We wish to make submission to the Inquiry from the perspective of a horse owner, lover, rider and breeder of horses from the Recreational and Performance sector. We run a small stud on the outskirts of Sydney. We are but one stud who breeds for the passion of the Horses which in our case are Arabian, a breed which is the oldest known Purebred breed. We are just one of many small breeders who maintain a small nucleus of Purebred Arabians, Part bred Arabians and also ponies and want to speak not only for ourselves but the many breeders and owners of horses, not only Arabian related.

Australia is re-known for the genetics of our Arabian horses and other breeds which in many cases have either died out overseas or are in small numbers. Australia has and does produce some of the world best performance Arabians who showcase not only in the show arena and the breeding area, but also in the World Endurance area. Australia does not only have a market within Australia, but an increasing market from overseas where purchasers who are looking for specific genetic and Arabian type for their pursuits. The breed has been struggling for many years (as other breeds have) with dealing with drought and other economic issues. The EI outbreak brought about another form of struggle for all horse people across Australia but very specifically to those in NSW and Qld who had infected horses.

We realise that the EADRA levy is to be put in place by government due to the EI outbreak realisation brought to the forefront. Of what an outbreak of an exotic or long dormant disease/contaminate within Australia can cause. The EADRA levy needs to be equable and not targeted at the registered Equine breeds or performance registries. We understand that the way the levies are worded/put in place within other animal industries, is that the levy must be based on the stock produced by that specific animal industry.

In the case of the horse industry and specifically the recreational and performance area (to be referred to from this point as R&P) the only areas, which have a base to apply such, a levy is in the breed societies and or performance horses registries. These are but a small proportion of the total R&P area. Plus this would place a large onus on a small number of horse owners to pay the levy for a large number who would go unhindered by the levy input due to no comprehensive data source in this area. Something that needs to be addressed.

Whilst the Societies do not represent their members within the Industry fully - especially the Arabian Horse Society of Australia (AHSA) in our case, we believe that individuals have to make the representation to both the identifiable Peak Body – Australia Horse Industry Council (AHIC) and now this Senate committee. The idea of putting a levy on registrations of animals only within the AHSA studbooks (or any registry studbooks within the R&P areas) which in many cases cause hardship to the members (and the horses) who have continued breeding the genetics that is being sort after. In many cases it is the small breeders who have maintained the older genetic lines that are sought. Not the commercial breeders who will treat the levy as another part of business. These small breeders battle to feed and maintain their horses and their way of life, in the hard-times and do so for the welfare of their animals. Most working, outside their studs, to pay for their horses. Paying taxes in the form of income tax. Then pay GST on all purchases. The R&P area spending is as large, or possibly larger than the racing industry. The on-flow to the industries, who rely on the R&P for a large part of their business income would be greatly affected as numbers leave the industry. A great detriment to the Australia Equine industry.

Affect to the Associated Business Sector of the Horse Industry

Veterinarians, Farriers, Therapeutic practitioners and providers, feed producers and on sellers, saddlers/equine suppliers and their suppliers.

You may ask why would the levy affect the income of the horses industry.

If the levy is targeted at those who actually have registries for their breeds it will drive many from the registries. The loss of not only the members, but the genetic input of these animals will be a huge detriment to the breeds. Many will either leave the horses industry. Other will discontinue membership of the breed societies and thus the continuing of registering horses with these breeds societies. Horses will continue to be bred but with no record of the breeding and the horses. As in the parts of the Levy documentation below:

6 Liability of horse registration bodies

If a horse registration body registers a horse in relation to which horse disease response levy is imposed, the body is liable to pay to the Commonwealth, on behalf of the owner of the horse, an amount equal to the sum of:

- (a) the amount of any horse disease response levy due for payment in respect of the registration of the horse with the body; and
- (b) any amount payable under section 10 as a penalty for late payment of horse disease response levy.

7 Collection of horse disease response levy by horse registration bodies

- (1) Despite any law of a State or Territory or any contract entered into before this Act commences, a horse registration body must not register a horse unless the owner of the horse first provides the body with the funds necessary for the body to pay, on behalf of the owner, the horse disease response levy that would be due in respect of the registration of the horse with the body.
- (2) If a horse registration body registers a horse, the body must give the owner of the horse a receipt for the horse disease response levy paid.

8 When levy due for payment

Amounts of horse disease response levy are due for payment as required by the regulations.

Horse Welfare:

This will not only cause hardship, stress and heartbreak to the humans. The welfare issue is something else that has not been addressed by the Peak bodies, Federal or State governments.

What will happen to the horses involved if people feel the added pressure of the Levy specifically to breeders is the last straw. Many will endeavour to find homes for the horses but many will not be able. Other will battle on. Others not able to do either, leaving a large Welfare question that the Humane societies and State government departments will have to deal with. It did a great amount of damage, people left the industries, reduced horses numbers, stopped breeding and have moved into hibernation or retirement. In many cases horses are being lost to the horses industry not only in genetics but in numbers which can be identified.

Whilst the racing industry has the data in place, and produces large amounts of animals. The cost of a levy will be another claim in the cost of business. Plus the returns for an area of this industry are high financially and those will continue to liaise with government for the best outcome for their industry, with little regard to the other half of the horse industry in Australia. Thus placing an ever widening wedge in the Equine industry.

Loss of lifestyle freedom:

Australia in one country in the world where horse ownership, is achievable across the socio-economic spectrum. It is not only a hobby of any sector of the community. From the pony for the children, that parents budget into their lifestyle for a better quality of life and teaching aid, through the pony clubber, trail rider, horse owner, breeder and onto the equestrian dream of being an Olympic medallist. It can be achieved in this country from any sector of the community, unlike in other countries where only a specific few could ever dream of reaching heights in the equestrian world.

How would the levy affect this?

Loss in the numbers and in many cases quality, of horses breed and registered for the various disciplines and available for the population due to decreasing levels of registered breeders. Causing a less than free trade state.

Thus pushing up prices, of horses and associated requirements for the horses. The equality in this country to own a horse would be taken from within peoples grasps in so many cases. That is why we ask that the committee expand the emphasis and direction of the levy to a wider area that the stock produced from the industry.

Other areas of the industry could provide economic input into a levy fund and will capture a larger proportion of horse people contributing to the levy and also outside industries which make a large degree of economic profit from the horse industry:

For example:

A small Levy on processed horse feed, (10-20cents per bag for instance collected in a similar way to gst via point of sale)

A small proportion of the gambling profit from racing – eg 1%.

This would lessen the amount of levy placed on the stock registrations from the registered breeding community to a level of a matter of a few dollars rather than **\$100.00 plus dollars** per registration that has previously been mentioned.

Communication flow:

Call for transparency and flow of information to the Horse Community of input to the various determining bodies and information from these bodies to all horse owners and breeders is needed by a body who is non-denominational (for want of a better word) who will represent all parties on an equal footing.

I call on the committee open a public forum in the various states to allow people to have input. Not just call for submissions in a very tight time scale especially in an industry where people are inhibited due to various reasons. The NSW DPI was able to do such a public forum within the EI outbreak. The communication of the EADRA Levy is not widely known through the horses industry and this needs to be addressed by various ways to encompass the wider horse community and get the information out so that people are educated and in many cases be more willing to participate in.

Yours sincerely

Jillianne Cerveny
Ivahri Arabians