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Director, National Response Policy  
Review of the Horse Disease Response Levy  
Department of Agriculture, Water and the Environment

Submitted via website: [Review of the Horse Disease Response Levy | Have Your Say - Agriculture, Water and the Environment \(awe.gov.au\)](https://www.awe.gov.au/review-of-the-horse-disease-response-levy)

Dear Director,

**Re: Review of the Horse Disease Response Levy**

Thank you for the opportunity to provide comments on the Review of the Horse Disease Response Levy.

Animal Medicines Australia (AMA) is the peak industry body representing the leaders of the animal medicines industry in Australia. Our members companies are the innovators, manufacturers, formulators and registrants of a broad range of veterinary medicine products to protect and treat animal illness, disease and injury, and support animal welfare across the livestock, equine and companion animal sectors. AMA members range from local businesses to the local divisions of global companies and includes companies who manufacture in Australia for global export markets. AMA members represent more than 90% of Australian sales of registered veterinary products.

AMA supports the Emergency Animal Disease Response Agreement (EADRA) as a mechanism to share the costs of responding to disease outbreaks between the Australian Government and the affected industries. EADRA agreements ensure that the necessary resources and funds will be available to treat affected animals and stop the spread of disease. The costs of that response are then repaid by activating the Horse Disease Response Levy (HDRL) at pre-determined rates.

The HDRL is nil-rated, meaning that it is only payable following a response to an exotic equine disease declared under the EADRA agreement. The levy is activated following the disease outbreak, and once the costs have been recovered, the levy reverts back to nil.

The HDRL was agreed by the four main equine industry bodies to provide a mechanism to equitably share the costs of an equine disease response across the affected parties. They agreed that a levy on horse registration was the most equitable way to generate the funds if required.

However, the Horse Levy Working Group that was tasked with considering various options for the levy, chose to impose the burden of and liability for the levy on the manufacturers of equine worming products and feed. It is noted that this Working Group did not include representatives from either of these two industries.

Principle 6 of the Australian government policy on the management of levies within primary industries states that any levy '*must be equitable between levy payers*'.<sup>1</sup> The current arrangement is not equitable, as horse owners can bypass the levy payment by delaying treatments or not worming their horses, obtaining worming products from unregulated overseas sources or using products that have not been tested for safety or efficacy on horses. These actions bypass the levy payment imposed on worming products and pose significant threats to horse health and welfare. In addition, horse owners may also choose to stop purchasing manufactured feed, or to purchase bulk grain to mix stock feed themselves, thus by-passing the levy payment imposed on stock feeds.

The beneficiaries of the HDRL are the horse owners. The government guidelines clearly state that levies such as the HDRL should be equitably imposed on the beneficiaries of the levy-funded activity.

Under the current arrangement, manufacturers of worming treatments are liable for the levy, yet they do not benefit from the levy, do not play a role in a disease response and are not an interested party.

Application of the levy to horse registration via the four main equine industry bodies would provide a more equitable and appropriate mechanism to collect the HDRL (if activated) in the future. This would spread the cost of the levy across the greatest number of horse owners, who are also the direct beneficiaries of the activities the levy has funded.

AMA notes that the National Horse Traceability Working Group is currently considering models for a national point of registration for all horses. If the HDRL was administered through a national point of registration, then all horse owners would be contributing to the commonwealth costs incurred in the treatment and protection of their horses, irrespective of their need or choice to use particular products.

A levy imposed at a national point of registration would also apply to the largest possible proportion of horse owners. Cost sharing across the broadest possible base reduces the levy burden imposed on individual horse owners, thus representing a fairer and more equitable approach to recovering the costs of an outbreak response.

In conclusion, AMA recommends that levy collection activities are redirected onto the horse industry itself, via the registration activities of the four peak industry bodies (the Australian Horse Industry Council, Racing Australia, Harness Racing and Equestrian Australia) and/or any future horse traceability systems arising from the work of the National Horse Traceability Working Group.

If we can provide any further information to assist, please feel free to contact me.

Yours Sincerely,

Dr Charmian Bennett  
Director Science and Policy  
(*unsigned for electronic submission*)

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<sup>1</sup> Commonwealth of Australia (2007). 'Levy Principles and Guidelines (January 2009)'. Available at <http://www.agriculture.gov.au/SiteCollectionDocuments/ag-food/levies/documentsandreports/levy-principles-guidelines.pdf>