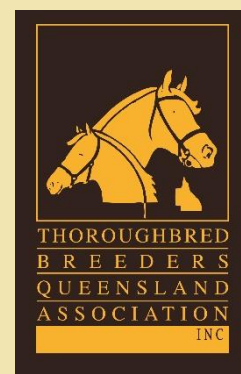


Martin Inquiry Submission



The breeding industry in Queensland

The thoroughbred breeding industry in Queensland has a long and proud tradition, with breeding going hand in hand with the development of racing.

As the Queensland Turf Club was established in 1860, breeders were setting aside more land for the exclusive purpose of producing thoroughbreds.

The emergence of the Darling Downs as a centre of excellence occurred in the late nineteenth century and was cemented by the exploits of stallions such as The Buzzard, who sired Melbourne and Caulfield Cup winners in the 1930s.

In more recent times Queensland breeders have been responsible for some of the greats of the Australian turf. In the 1980s Strawberry Road proved himself one of the best in Australia, winning the Cox Plate, Rosehill Guineas and Queensland Derby, before being sent to England and America, where he won at the highest level and was unlucky in defeat in the Arc de Triomphe, Europe's most prestigious race.

Success has continued with horses such as Spirit Of Boom, who is now a prominent stallion at a national level; Buffering, the world champion sprinter; Capitalist, the winner of the Magic Millions two year-old Classic and Golden Slipper, who is now a leading sire in the Hunter Valley; and Seasons Bloom, a champion miler in Hong Kong.

It is worth noting that Queensland breeders compete at a national level. At the state's flagship sale, the Magic Millions Gold Coast Yearling Sale, only 20 of the 83 vendors are based in the state, with none of the top ten farms by size of draft being based in Queensland.

Horses are an easily transferable animal and local trainers can and do attend sales across the country to source their equine talent.



Capitalist winning the Golden Slipper (Lisa Grimm)

Economic impact

The Queensland breeding industry has a significant economic impact in its own right, while also playing a crucial role in underpinning the broader racing industry in the state.

An economic impact study on the breeding industry conducted by IER found that there are over 3000 participants in Queensland breeding (see attached).

In terms of economic impact, breeding was responsible for generating \$93.4 million to the Queensland economy. This activity was responsible for supporting some 650 full time jobs in the state.

Of course, without breeding in Queensland the racing industry in the state would be drastically diminished, if even viable. In a piece of work commissioned from IER by Racing Australia, it was found the Australian racing industry generated over \$9.15 billion to the economy, with Queensland responsible for \$1.2 billion of that sum.

In terms of jobs, there are almost 10,000 full time positions supported by the industry in Queensland.

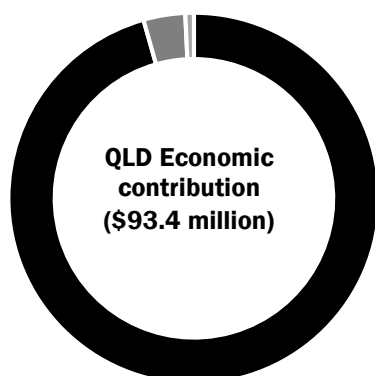
At a glance

| Participants in breeding | |
|---------------------------------|-------|
| Breeders | 1,263 |
| Breeders staff | 755 |
| Volunteers | 1,010 |

| Horses | |
|--------------------|-------|
| Broodmares covered | 2,977 |
| Live foals | 2,028 |
| Stallions | 133 |

| Economic contribution | |
|------------------------------|---------|
| Direct | \$44.0m |
| Indirect | \$49.4m |
| Total | \$93.4m |

| FTE Employment | |
|-----------------------|-----|
| Direct | 309 |
| Indirect | 340 |
| Total | 650 |



Regulation covering breeders

The first point to make when looking at the regulatory framework that governs breeding is to ask what is a breeder. There are many, even in the racing industry, that misuse the term.

Within the breeding industry the term refers only to a person who owns a broodmare. And the breeder of any given horse is the person that owned the mare when it gave birth to that foal.

For example, if a person buys a pregnant mare and it gives birth two days later, the new owner – in the eyes of the Australian Stud Book (ASB) and the industry – is the breeder of the resulting foal, even though they had nothing to do with the planning of the mating, organising the conception, or the care of the mare in the intervening 11 months.

And the majority of horses in the breeding industry are cared for by people who are not its breeders or owners. At most large studs a big part of the farm's income will come from their agistment business – looking after horses that belong to other people.

Of course with many farms, the owner of that property may not be the person who is in charge of the care of animals. The biggest commercial farm in Queensland, Aquis, is a case in point: its owner is based in Hong Kong and it has an executive team that is supported by a large number of hands-on staff, who look after horses belonging to scores of outside clients.

However, despite these layers of responsibility, the breeding industry is regulated by the Rules of the ASB, as well as the Rules of Racing, and these have the power to ensure welfare the welfare of all thoroughbreds.

Firstly, no thoroughbred can be raced without having first been accepted into the ASB; likewise, no mare or stallions progeny can be registered in the ASB unless they themselves are registered.

This means that breeders, or those who have received the power to act on behalf of a breeder (such as a farm manager), need to comply with the ASB rules. And compliance does not simply mean informing what horses are being born; the ASB has to know who owns each horses and where it is being kept. Furthermore, every horse is micro-chipped, branded and a blood test done to verify its parentage.

Unless there is compliance with this regime, a horse cannot be accepted by the ASB. Furthermore, a breeder can be banned by the ASB from submitting horse registrations – and excluded from the industry – if they fail to comply with the rules relating to breeding.

Additionally, since 2016 breeders have come under the national Rules of Racing for the purposes of welfare. This means that all thoroughbred breeders have to maintain their horses in a condition in keeping with the rules and present their horses if requested by a steward. Failure to comply with these rules exposes the breeder to being excluded from the ASB as well as the full range of penalties that racing authorities can make; such as fines, bans and referring a complaint to the relevant welfare authority (RSPCA or police).

Breeders and welfare

A commitment to the highest standards of care for thoroughbreds is an essential part of the breeding industry.

In 2015 Thoroughbred Breeders Australia became the first breeding body in the world to publish Industry Welfare Guidelines and these were then voted on and adopted by all state bodies.

In the past 10 years – in fact, in the memory of the industry – no Queensland thoroughbred breeder, or stud farm providing agistment, has been charged with any offence in relation to the care of their horses. As an industry we are proud of that fact, but it does not surprise us.

It is worth noting how different thoroughbred breeding is to all other animal production. For a start, all conception is done naturally; mares can only ever have one foal a year (horses have an 11 month gestation period); and it is impossible that a mare produce a foal every year, as the breeding season is just three months long and no mare can consistently deliver a foal and return to pregnancy in that time.

These factors mean that we do not have significant overproduction. Supporting this view is the fact that the average price paid for an Australian yearling has increased over 60% in the past five years, while clearance rates at sales have been at record levels (above 80% at major sales) in the past three years. These are not the signs of a market being oversupplied.

After the ABC 7.30 Report, TBA said it was open to looking at the number of foals being produced, but that any such review would need to be part of a holistic review of the broader industry. The impacts of a reduction in the foal crop would need to also be considered by racing administrators who rely on locally produced horses to fill race fields across the country.

Racing NSW chief executive Peter V'landys has already stated publicly that he does not believe there needs to be a reduction in foal numbers (see attached).

One significant reason that breeding has not had major issues with welfare is the high barrier to entry. Unlike producing greyhounds, there is a huge financial commitment to breeding a horse. The upkeep of a mare alone is in the region of \$11,000 to \$18,000 a year (without service fee to have her impregnated); while the cost of keeping a foal from birth to yearling sale will be in the region of \$25,000.

Then there is the capital outlay of buying a mare – the median price of the biggest commercial mare sale in 2019 was \$70,000 – and the cost of a stallion service (the most popular sires in Queensland this season were Spirit Of Boom at \$44,000 and Better Than Ready at \$33,000).

These financial considerations are well known to those entering the industry and serve as a strong disincentive for people to involve themselves in breeding unless they are very committed to the cause.

As far as a response to the issues raised in 7.30's report, TBA has been the most vocal industry body on the issue. We support the Queensland government commissioning this inquiry, but have called on Racing Australia to launch a welfare task force that is independent of both regulators and stakeholders to make recommendations that can be adopted across the country.

So far the national racing body has been unable to establish this group and TBA is lobbying state ministers to implement this task force.

We are committed to the highest standards of animal care and we believe it essential for the sustainability of the thoroughbred industry that the community has confidence in our practices.

Challenges for breeders

The breeding industry in Queensland is not without challenges. While the number of foals being born in Australia each year has dropped significantly, the contraction in Queensland has been even more pronounced. The same goes for the number of stallions and mares residing in the state.

This is in part due to the number of breeders declining, but also due to people moving their animals to NSW.

In fact, there has been a drastic reduction in the number of farms offering stallions and agistment services, with 66 businesses shutting their doors in these areas in the past 10 years.

Recruiting skilled staff is another challenge for Queensland farms, as it is for farms across the country.

In a TBA survey from 2018 some 87% of farms said it was much harder to recruit experienced staff than 10 years before.

It is worth noting that, while studs need to have highly competent workers who have years of experience with horses (particularly with stallions, yearlings and during foalings), most employees do not have formal qualifications. In fact, in a recent survey of Hunter Valley farm managers for TBA, 68 per cent had no formal equine qualification.

Despite its successes on the track and in the sales ring, Queensland also suffers from the perception that it is a poor relation to the industry in NSW. This perception is also borne out by economic reality: without doubt the biggest breeding region in the southern hemisphere is the Hunter Valley, and farms there have far greater resources when trying to buy potential stallions or broodmares.

Another major challenge that breeders are dealing with is the severe drought. This has meant that farms are having to rely on hay and hard feed rather than natural pasture; with the price of hay in particular soaring during the past two years (a bale of hay has gone from \$8 to \$27). The drought also means that staff costs have surged, with many hours of labour required to deliver feed to animals in paddocks that was not required when there was ample grass.

While agistment properties can pass on some of these costs to paying clients, few are invoicing the full amount for fear that horses be moved to other regions such as Victoria or southern NSW. And for those that breed on their own properties, they are having their margins significantly eroded by these extra expenses.

Key points

TBA and TBQ are fully supportive of the state government's decision to set up the Martin Inquiry. Everybody in the industry needs to be aligned in ensuring that animal welfare is central to everything we do; from foal, through to racing and on to rehoming and retirement.

Both our breeding bodies are keen to be involved in dialogue that impacts upon our members, and we have been the loudest voices in the thoroughbred industry calling for progressive reform (see TBA's 8 point response published after the airing of the 7.30 report).

We also ask that any proposals or recommendations take into account the regulatory regime that already exists in racing and breeding. We believe the rules of the ASB, when taken together with the Rules of Racing, provide for a level of oversight that should satisfy both governments and the broader community. We believe this is especially so when one considers that no member of the breeding community in Queensland has been prosecuted on an animal welfare charge.

It is also our strong view that no proposal be put forward that unnecessarily disadvantages farms in Queensland with similar businesses in other states. For example, any imposition relating to standards for staff would likely mean that workers – many of whom are not formally recognised for their skills – would simply leave for studs in other states. What's more, such a proposal would mean breeding businesses would be held to a higher standard than every other agricultural business in the country.

Supporting documents

Document 1

Stud farms no longer with stallions in Queensland

| | |
|---|------------------------------------|
| Almavale Stud | Kilto Park |
| Arcadia Thoroughbreds | Kingdale Lodge |
| Bahram Stud | Merlo Downs Stud |
| Bailiwick Stud | Misty Valley Stud |
| Banchory | Monteal Lodge |
| Baroon Valley Stud | Moranjee Stud |
| Bella Park Thoroughbreds | Mountain View Thoroughbreds |
| Blue Hills Thoroughbreds | Noralla Stud |
| Burwood Stud | Olympic Park |
| CBR Equine Lodge | Palm View Stud |
| Charsons Park | Palmaday Stud |
| Claypan Park Thoroughbreds | Patinack Farm |
| Coleychelle Farm | Peacewood Thoroughbreds |
| Coolbadah / Equine Global P/L | Plaintree Farms |
| Dagun Park | Racetree |
| Double A Quarter Horse Stud | Regal Lodge |
| Egmont Park | River Hills Stud Farm |
| Eliza Park Queensland / Sun Stud | Rockhampton Equine Breeding Centre |
| Flatfields Stud | Rossvale Park Stud |
| Gainsborough Lodge | Royston Stud |
| Glen Avon Lodge | Scenic View Lodge |
| Glenlogan Park | Secret Hills Farms |
| Glenona Stud Pty Ltd | Sharlee Park |
| Goldelk Thoroughbreds | Sleepy Hollow Spelling Farm |
| Goodward Park | Smithfield Lodge |
| Greenvale Park Stud - Breeding, Breaking and Spelling Complex | Somme Lodge |
| Gunnawyn Park | Springfields Stud |
| Haven Lodge Stud | Stewart Park Stud |
| Hazelwood Stud | Tiree |
| Jacaranda Park Thoroughbreds | Valentine Park Stud |
| Kelana Park | Wattle Brae Stud |
| Kenelle Stud | Willowbend Stud |
| Kerry Road Thoroughbreds | Woodwinds Farm |

Full time Equivalent Employment

ier-study.racingaustralia.horse/full-time-equivalent-employment/

October 3,
2018

FULL-TIME EQUIVALENT EMPLOYMENT

There are more than 159,000 individuals directly involved in thoroughbred racing nationally. As outlined earlier, this is a statistical construct that takes into consideration participants, volunteers and employees (full time, part time, casual and contractor).

In 2016/17, the economic activity generated by the thoroughbred racing industry directly sustained 32,801 full time equivalent positions in Australia. In addition to the direct employment impact, the activities of the thoroughbred racing industry also help to sustain a further 39,136 FTE jobs in support industries. Therefore, the total direct and indirect employment impact generated by thoroughbred racing was 71,937 FTE jobs.

The thoroughbred racing industry relies on a large amount of part time and casual labour. Further to that, it employs a large number of people in roles that are not plentiful in the marketplace (such as activities relating to training and breeding). The FTE positions that are sustained by thoroughbred racing resulted in more than \$5,016.5 million in wages and salaries for the people employed directly as well as those employed in

other down the-line industries that receive increased demand as a result of racing. Some examples of the other industries that are stimulated by racing include; veterinary, feed, retail, tourism, accommodation, transport and construction.

Document 2 cont.



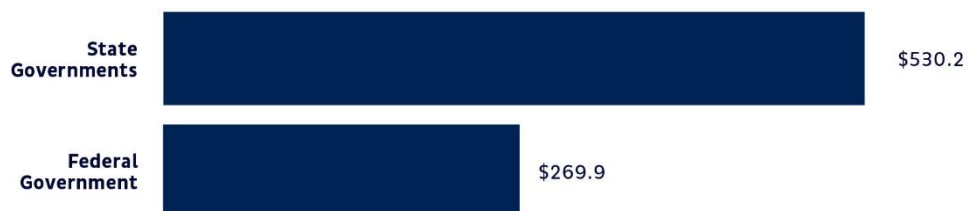
TAXATION IMPACT

The thoroughbred racing industry generates more than \$800 million in taxes from its racing, wagering and business activities. In total, state governments directly receive more than \$530 million in taxes from sources including; gaming taxes, wagering taxes, employee taxes, land taxes and stamp duty.

The federal government receives more than \$269 million in taxes from income taxes and retained GST. Under the federal government fiscal equalisation policy, much of this is returned to the states. The following chart illustrates the breakdown of these taxes for state and federal governments:

Document 2 cont.

Taxes generated by thoroughbred racing in Australia



| | STATE TAXES | FEDERAL TAXES | TOTAL |
|------------------------------|----------------------|----------------------|----------------------|
| Victoria | \$233,685,977 | \$92,152,196 | \$325,838,174 |
| New South Wales | \$184,602,287 | \$85,299,837 | \$269,902,124 |
| Queensland | \$38,087,508 | \$45,368,592 | \$83,456,100 |
| South Australia | \$11,958,525 | \$14,402,204 | \$26,360,729 |
| Tasmania | \$1,359,539 | \$3,843,125 | \$5,202,663 |
| Western Australia | \$40,899,670 | \$14,824,003 | \$55,723,674 |
| Australian Capital Territory | \$5,818,927 | \$9,227,988 | \$15,046,915 |
| Northern Territory | \$13,756,821 | \$4,774,149 | \$18,530,969 |
| TOTAL | \$530,169,254 | \$269,892,094 | \$800,061,348 |

The Sydney Morning Herald

NATIONAL NSW RACING INTEGRITY

'We need to look at what we do': Racing NSW boss Peter V'landys shuts down calls to assess breeding numbers

By Sarah Keogh

October 27, 2019 – 12.00am



1 [View all comments](#)

Racing NSW will not assess or change the number of racehorses bred each year, despite calls from thoroughbred breeders to launch a "full and frank assessment" of the industry.

Chief executive Peter V'landys said the foal rate was already dropping year on year and therefore did not warrant a review.



Racing NSW chief executive Peter V'landys said foal numbers will not be looked at. TIM BAUER

"The foal rate has dropped significantly with 18,502 foals being born in the 2006/07 foaling season to 12,960 foals being born in the most recent foaling

Document 3 cont.

season," he said. "This means that there are fewer horses racing and needing to be re-homed at the end of their racing career."

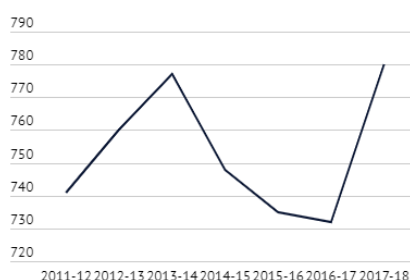
"Racing NSW's facilities are not under pressure and are able to cope with the number of horses."

After the ABC's 7.30 program aired footage of healthy racehorses ending up at NSW knackeries, the chief executive of the Thoroughbred Breeders Association Tom Reilly said that foal numbers need to be looked at "holistically".

The footage drew [condemnation from all corners of the racing industry](#) including breeders, trainers, betting companies and sponsors – and came on the eve of The Everest, the world's richest turf race held at Royal Randwick last Saturday.

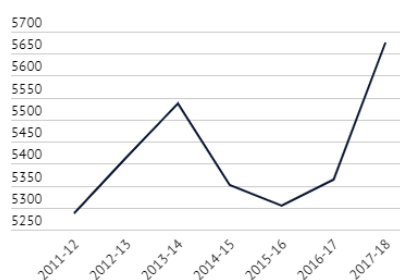
"Racing has a big foal crop, and it has a big racing program, we certainly believe there needs to be a full and frank assessment of every aspect of the industry and as the body representing breeders we need to look at what we do and that includes the foal crop," Mr Reilly said.

NSW race meetings held



Source: Racing NSW

NSW races run



NSW Thoroughbred Breeders president Stuart Lamont agreed with Mr Reilly and said discussion will occur within thoroughbred breeding circles despite Mr V'landys' comments.

"Every sector of the industry needs to consider what steps it can make, so considering foal numbers is something that will be discussed," Mr Lamont said.

Mr V'landys also said he would not entertain the notion of reducing the number of race meetings per year to alleviate breeding pressures.

There were 5676 races held last year with 53,245 race starters in NSW, the highest in more than 15 years.

"The tiered nature of race meetings held throughout NSW, being metropolitan races, provincial races, country races and picnic races, provide options for horses of all abilities," Mr V'landys said.

Document 3 cont.

"If a horse is not up to metropolitan standard, it is still a prospect of having a successful racing career in the provincial or country areas, with the prizemoney available in provincial and country areas being of a level for owners to be able to continue to race horses in those areas for many years."

Randwick cinema to keep rolling amid pressure

A Sydney cinema will continue to screen the Michelle Payne biopic *Ride Like A Girl* despite calls from animal activists to pull the film.

[Following the film's cancellation](#) at an independent cinema in Melbourne's north, animal activists rallied against independent theatre Ritz Cinemas in Randwick to cancel the screening in light of the 7.30 report.

The cinema told activists that while the reports of the horse racing industry were "certainly concerning" it was ultimately up to audience members to "make up their own mind".

"We do not see it as our role to censor content that some audience may be disturbed by," a spokeswoman for the cinema told activists.

"I understand that this approach may be frustrating, but we receive requests such as these often in regard to films with political or ideological stances that some customers disagree with."



Sarah Keoghan



Sarah is a journalist for The Sydney Morning Herald.

046

→

Queensland

This economic activity is responsible for directly sustaining 2,013 FTE jobs. When flow-on impacts are included, this rises to a total of 4,388 FTE jobs. Queensland (QLD) has a population of 5,012,200 (ABS, 2018).

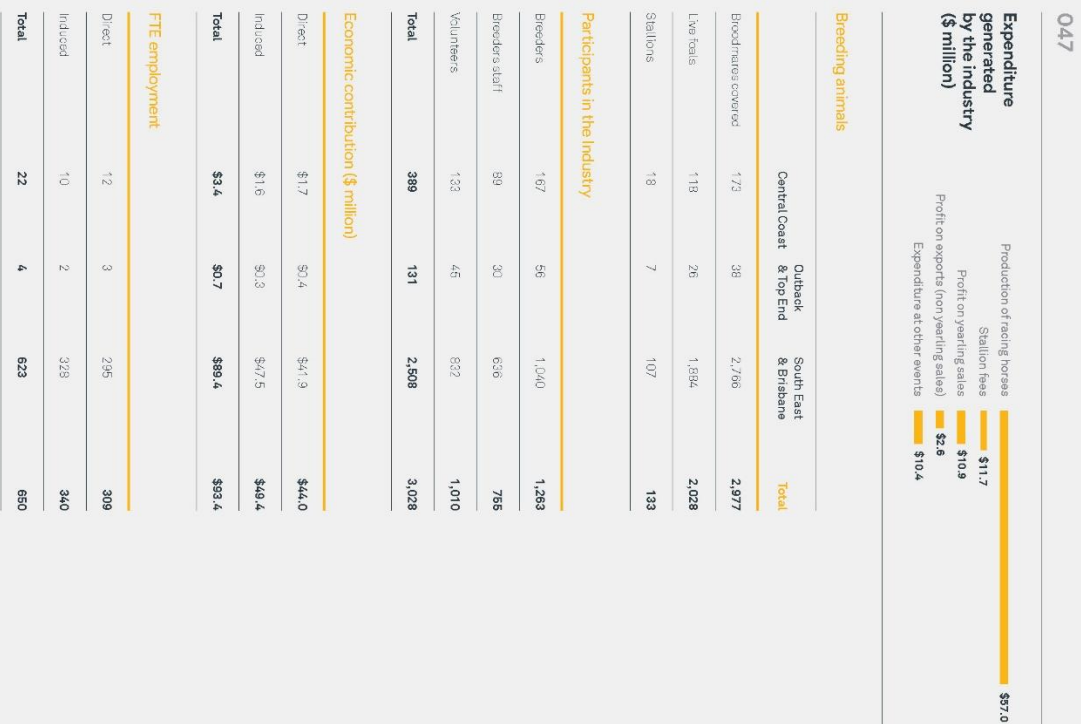
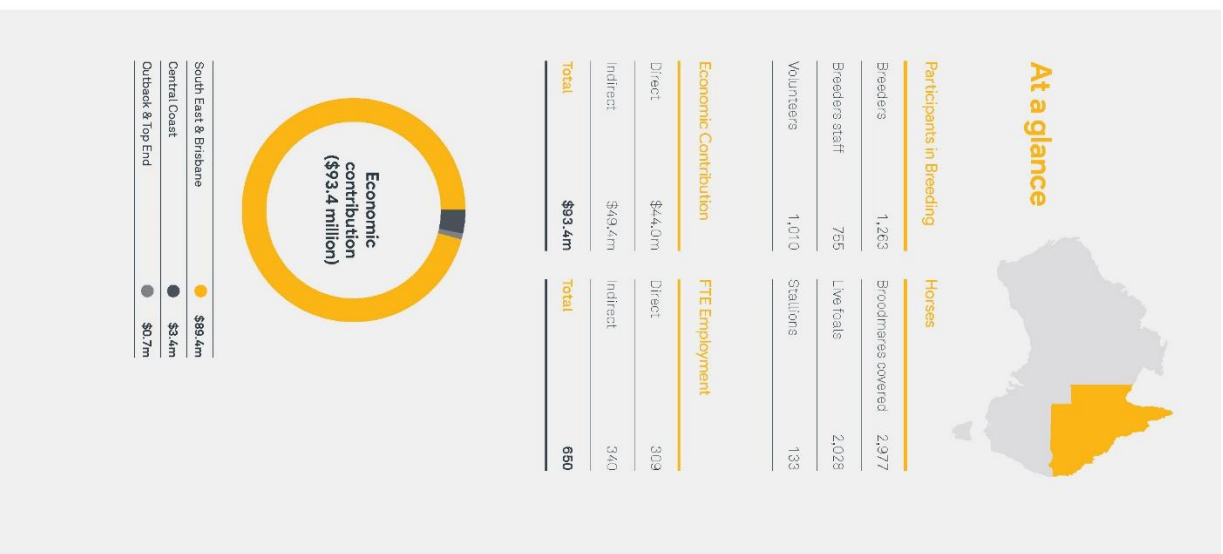
There is a total of 3,028 participants in the breeding industry in QLD – around 1,000 of whom are volunteers.

Just over 2,000 live foals were born in QLD.

The breeding industry in QLD is responsible for generating an economic contribution of \$93.4 million.

This economic activity is responsible for directly sustaining 309 FTE jobs. When flow-on impacts are included, this rises to a total of 650 FTE.

Around 3,028 individuals participate in the breeding industry in QLD. The industry is responsible for generating an economic contribution for the region of \$93.4m



Document 5

Thursday, 31 October 2019

[View email in browser](#)

THOROUGHBRED BREEDERS

Australia

Update On Welfare Issue

Dear Breeder,

I am writing today to keep you updated with Thoroughbred Breeders Australia's activities since the airing of the ABC 7.30 report into the mistreatment of thoroughbreds.

On Tuesday I met with Racing Australia chairman, Greg Nichols, and presented him with an eight-point plan that the TBA board had endorsed (see below).

These measures are not exhaustive and there will be many other good suggestions put forward. However they do, in our opinion, constitute a good start to tackling some of the issues we must respond to.

You will see that we believe establishing an independent task force is our first priority. This is consistent with what I wrote immediately after the program aired.

[Read the Sydney Morning Herald article here.](#)

There are no easy fixes in this welfare discussion, but having an independent task force will be the foundation of developing good policy. It goes without saying, that breeders must be widely consulted in any discussions.

Tuesday was the third face to face meeting we had had with Racing Australia and I am due to catch up with Greg and their chief executive, Barry O'Farrell, again tomorrow.

Document 5 cont.

head of the Federal Department of Agriculture, the acting chief executive of the RSPCA, the chief executive of Animal Health Australia, senior advisors to the Federal Agriculture Minister, the Shadow Agriculture minister, most state Agriculture Ministers, and a number of state racing ministers.

Last Tuesday we also held an event in Canberra, with the Parliamentary Friends of Primary Producers. This is an annual event, but this year it provided us with an opportunity to tackle head on the issue of welfare. The Deputy Prime Minister, Michael McCormack spoke on the night, as did the Leader of the Opposition, Anthony Albanese, and the event was well attended.

[Watch the video of the event here.](#)

Evenings like this are valuable as we regularly need support from the Federal Government: for example, it would be impossible to develop a national traceability register for horses without their buy in.

The board of TBA believe the issues that have been raised need a national and collaborative response and we are determined to play our part in good policy outcomes.

I have already received a number of good suggestions from breeders with ideas to assist the industry and all are gratefully received. If you have one, please send it to member@tbaus.com

Thank you for your time and I look forward to your feedback.

Kind regards,

Tom

[To hear Tom speaking on Talking Horses click here](#)

[To read Tom's speech at the parliamentary event click here](#)

TBA suggestions on Welfare issue

1. **Establish an industry welfare taskforce:** This body needs to be chaired by an independent person of standing within the industry and make recommendations to Racing Australia and the wider industry. It must include welfare experts and senior veterinarians independent of the industry's regulators.

2. **An independent audit and review of Racing Australia's retirement data:** Their

Document 5 cont.

misrepresented or confused what these numbers represent, it is crucial that both the thoroughbred industry and wider public have confidence in their accuracy. As such, there must be an independent audit of the numbers and the collection and compliance with retirement forms.

3. A review of the number of thoroughbreds going to livestock sales, abattoirs and meatworks: It is essential the thoroughbred industry understand the extent of the numbers as we deal with issues of horses leaving the racing or breeding industry. This will enable the thoroughbred industry to appropriately fund rehoming and retraining programs.

4. TBA and RA to review patterns in the foal crop: The number of horses being bred has decreased by a quarter since the mid 2000s, but we need to better understand how supply meets demand. We also need to review the number of horses being bred that do not enter racing or return to breeding.

5. Ensure the development of a national horse traceability register: We need to be able to follow our horses after they leave the racing or breeding industry. An industry working group needs to be established urgently to build on the political momentum for the register.

6. Develop national standards and guidelines for horse welfare: At present horses are not part of the Animal Health Australia framework, unlike cattle or sheep. Developing this framework would encourage best practice, especially for horses that leave the racing and breeding industry.

7. Start a full circle program for Australian thoroughbreds: This scheme, developed by the US Trotting Association allows people with an interest in a horse to put their name on a register so that if the animal is ever discovered to be in trouble, for example is offered at a livestock sale, the person or people on the register can be contacted. It does not oblige that person to take over responsibility for the horse, but is a way of enabling people to assist a horse they care about in times of trouble. Read more here <http://lifeafterracing.ustrotting.com/full-circle.cfm>

8. Establishment of an organisation similar to Drinkwise: In 2005 the alcohol industry decided to collaborate – despite their fierce commercial competition – to form a body that could promote responsible drinking and also assist them with issues around perception. Such a body would be invaluable for the thoroughbred industry, especially if driven by participants. It would also be tasked with disseminating accurate and transparent information, even on challenging issues.