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To: [RRI Consultation](#)
Subject: Submission regarding possible changes to rules governing racehorse syndications
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Submission regarding potential changes to ASIC requirements for Racehorse Syndication.

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"The Australian thoroughbred breeding industry contributes nearly \$1.68 billion annually to the Australian economy and provides full-time employment for over 9,000 people, predominantly in rural and regional areas. Nationally, there are more than 6,000 active breeders. Over 33,000 individuals are actively engaged in the Australian thoroughbred breeding industry as breeders, employees, or volunteers. In 2022-23, an estimated 19,454 broodmares were covered resulting in 12,585 live foals" (source AgriFutures Australia).

The 2024/2025 foal crop was reported as 11,283 live foals, a drop of approx 11% and predictions are that numbers will fall further. A large part of this decline can be attributed to small breeders leaving the industry as costs rise and competition from large commercial operations intensifies. If, as seems likely this drop off in foal numbers continues, it represents an existential threat to the industry. Smaller foal crops will ultimately lead to smaller race fields and a commensurate fall in industry revenue.

Anecdotal evidence gathered from multiple small breeders, indicates that a primary reason for their discontinuing participation relates to the inability to find owners for the horses they breed.

Small breeding operations, often operating with only 2 or 3 mares, do not have the resources to obtain an ASIC license but are a vital part of the industry. Many of these breeders are operating under a different model to the commercial syndication companies who use large mark ups on highly expensive yearlings bought through major sales to cover the extensive costs of ASIC compliance. Under this model mark ups on original purchase price of greater than 50% are common. Many small breeders operate under an entirely different model.

- Hobby vs. Investment, buyers purchase racehorse shares for entertainment, social connection, and sport.
- No profit expectation: Most participants understand that horse racing carries a high financial risk with unlikely capital returns.
- Misleading classification: Treating a living animal as a "financial product" distorts the reality of horse ownership, the psychological reward, the primary return on investment is the thrill of the race day, not dividend yields.

I understand and agree that there MUST be oversight to ensure the rights of purchasers are protected but would propose that this should occur under a different and cost effective model to permit small breeders to continue operating. Perhaps a body could be established by the principal racing authority to develop and administer a more streamlined set of rules and guidelines to meet the dual needs of maintaining a healthy breeding industry while ensuring that potential purchasers enjoy a level of comfort that they deserve and require.

Thank you.

Stephen Bendall