New Zealand Miniature Horse Association Inc

Special General Meeting
October 20, 2007 - 11:00am
Sudima Hotel Christchurch Airport
Corner Memorial Avenue & Orchard Road

Council Comments in relation to the "Resolutions"

We believe that a number of emails have been circulated to the members however the Council members and their partners have been purposely excluded from the mailing lists. Therefore it may be that the discussion/comments below do not answer all the concerns raised in these emails. If there are any specific comments/allegations/concerns that Council hasn't addressed below please write to the Secretary so that Council can respond.

Resolutions as per the request for the Special General Meeting are in ***bold italics***.

1. ***That NZMHA revoke all Stallion Soundness Certificate DNA requirements and the DNA elements of registration, either proposed or currently in place.***

Council Comments

What is DNA Testing?

DNA involves testing samples from a horse (hair or blood) and recording a specified number of genetic markers (microsatellites), the more markers recorded the greater the accuracy. These markers are used to allow a comparison to be made to determine/confirm the parentage of a horse be it the sire/dam of the tested horse (if their DNA has been tested) or progeny from the tested horse (if the progenies DNA has been tested)

Earlier testing utilised blood however modern DNA testing utilises hair follicles and is much more accurate with a quoted accuracy rate of 99.999%.

Why DNA Test?

NZMHA is first and foremost a breed society and as such its key priority and asset is its Registry of Miniature Horses. Obviously the integrity of the information on NZMHA's Registry is very important. If the data on the Registry is not accurate then the Registry has no value. DNA testing is the methodology that currently allows the best guarantee that a horses parentage is as stated.

From the perspective of both the breeder and purchaser DNA parent qualifying is as close a guarantee as one can get that the horses parentage is as stated. A DNA parent qualified horse should retain its value better than a non-parent qualified horse as the pedigree is "guaranteed".

Every breed society that values its registry has either introduced DNA testing or is in the process of doing so eg. NZ Thoroughbred Industry, The New Zealand Arab Horse Breeder's Society (Inc), The New Zealand Hanoverian Society (Inc), NZ Harness Racing (Standardbred), The American Miniature Horse Association, Miniature Horse Association of Australia, National Miniature Horse Society of NZ.

With the advances in reproductive technologies such as AI and embryo transfer, together with the increase in international movement of horses and semen, accurate identification of horses and of their parentage will become increasingly more important.

At some point it will become difficult to register NZ bred Miniature Horses with other breed registries if they have not been DNA Parent Qualified.

NZMHA and DNA Testing

The following Constitutional remit and rationale was put to the AGM in July 2006

Add Article 25.7

7. As from August 1 2006 the offspring of all stallions and mares whose DNA has been tested and recorded may be registered at a 15% discount off the registration fees that would normally be payable.

Rationale

In order to be able to guarantee the integrity of the breedings being recorded on our Registry we need to move towards DNA testing. This is currently the norm for a number of other breed organisations including AMHA. Members should be encouraged to DNA test and the discount will help towards the cost. Additionally members who wish to purchase foals from parents who have been DNA tested will be able to verify the parentage of the foal.

This motion was a constitutional change and as such required 75% support to pass. It received support from just over 73% of the membership and therefore narrowly failed. The feedback received suggested that the main reason this remit failed was because of the registration discount. Some members of NZMHA Council felt that there was a clear directive from the majority of the membership that they supported the move to DNA testing.

The following motion was put and passed at the Council meeting on August 26, 2006.

Motion: "That as from 1/08/07 stallions applying for Stallion Soundness Certificates are required to be DNA tested and a report be added to said Certificate"
J Henderson / D Crow Carried

The following Council members were present at that meeting: D Crow, H Lough, L Stables, J Coppell, A Tonner, B Banas, M Barrell, D Gelling, J Henderson, D Sloan, K Bethell, B Hatton, M Goodwin, D Wilson and C Scott. No Council members had their name recorded as against the motion.

Note: This is not a Constitutional remit but a requirement/regulation put in place by Council as are many of the procedures/policies/regulations under which the Association and Membership operate.

Therefore effective August 1, 2007 stallions applying for a Stallion Certificate of Soundness are required to be DNA tested and have this recorded as part of the process of obtaining their Stallion Soundness Certificate. The cost for this is $110 for the DNA testing.

Obviously for DNA Testing to have any value you need to have the DNA of the Dam on file as well otherwise you can not parent qualify progeny. Council has discussed requiring all fillies born on/after August 1, 2008 to be DNA tested before their foals can be registered. This would mean that effective from August 1, 2011 any mare born on/after August 1, 2008 would have to be DNA'd before any progeny (foals) can be registered (it is a constitutional rule that no foal can be registered from a mare until she has reached the actual age of 36 months so August 1, 2008 plus 36 months equals August 1, 2011).

The President acknowledges and apologises for the fact that his reply via email to some members wrongly gave the impression that this requirement in regards fillies was already in place i.e. had been approved by Council. At this point in time no motion has been put to this effect although there is intent to put such a motion.

Council Authority

The Constitution states:

COUNCIL OF MANAGEMENT - Article 10

1. The affairs of the society shall be managed exclusively by an Executive Council (referred to hereinafter as "Council") …

PROCEEDINGS OF COUNCIL - Article 15

….

2. The Council is at all times responsible for handling the affairs of the Society, except where otherwise dictated by law.

….

REGISTRY AND STUD BOOK - Article 25

1. Establishment: - The Council shall be responsible for the registry and stud book of the New Zealand Miniature Horse Association Incorporated, and both shall be under the supervision of the Registrar, whom the Council shall appoint, or Secretary, or as dictated by the Council.

POWERS OF SOCIETY - Article 30

….

….

3. The Council shall have the power and authority to make, amend, repeal and enforce such rules and regulations, not contrary to law, the Articles of Incorporation and Rules and Regulations, as they may deem expedient and necessary concerning conduct, management and activities of the Society, including but not limited to the collection of dues and fees, regulation regarding stud book, registration, the expenditures of money, the auditing of book and records, the awarding of championships, conducting of shows, contests, exhibitions, sales, social functions and other details relating to the general purposes of the society. All of the foregoing are subject to revision or amendment and approval by the members at any general or special general meeting of members.

Clearly therefore Council has the authority to introduce DNA testing and was not acting beyond its authority.

Communication of the Introduction of DNA Testing to the Membership

While some members allege that Council “snuck this through”, the minutes of the Council meeting were printed in the January/February 2007 issues of NZMHA’s Official Publication, Tinytales, (half way down right hand column on Page 29).

Communication is a big issue for the Association and one Council has identified as such however it is not the fault of Council that the members did not read the minutes as printed or those that did didn’t make the effort to question Council in the 5-6 months between notification being provided (via the minutes) and the change coming into effect on the 1st of August, 2007. Until the receipt of the letter calling for a Special General Meeting Council members had received communications from less than 10 members in relation to the introduction of DNA testing.

While in an ideal world Council would communicate every decision in writing to every member Council walks a tightrope between being responsible with members’ money, using volunteers’ time unnecessarily and trying to keep the members informed. A single mailout comprised on a single sided piece of paper costs the Association around $350 and the person labeling and stuffing the envelopes around 4-5 hours of their unpaid time.

Council hopes that the Membership recognises the value of ensuring the integrity of our Registry and that the Members will vote against revoking DNA Testing

2. ***That sufficient information be provided in regard to the DNA testing of horses for registration purposes to allow informed choices to be made by members. That information to include:***
   - ***An explanation of what DNA testing is and how it fits into the registration process should be made available to each member.***
   - ***The reasons why the DNA testing of horses has been considered necessary.***
   - ***All details of attempts made by NZMHA to use DNA results of horses that have been tested for AMHA registration.***
   - ***Full details of local or overseas companies/organisations capable of performing the DNA testing process together with comparative costs.***
   - ***Discussion of the information ownership with respect to DNA test results and their evidential status.***

Council Comments

- ***An explanation of what DNA testing is and how it fits into the registration process should be made available to each member.***

  This has been covered in the Council Comments above relating to resolution number 1.

- ***The reasons why the DNA testing of horses has been considered necessary.***

  This has been covered in the Council Comments above relating to resolution number 1.

- ***All details of attempts made by NZMHA to use DNA results of horses that have been tested for AMHA registration.***

  NZMHA has no relationship with any other Miniature Horse breed society including AMHA. While it would be ideal if the DNA information from other organisations could be recognised by NZMHA this is not a high priority from NZMHA Councils perspective. NZMHA Council works for and represents all NZMHA members not just those with AMHA registered horses.

  From a true NZMHA perspective it really shouldn't be a concern of NZMHA's that some members are incurring additional costs with other organisations (eg. AMHA) whom they choose to register their horses with. This does not mean Council is not working on trying to get the DNA read for NZMHA recognised elsewhere and vice versa it is simply not a high priority as it does not impact on all NZMHA members.

  When the service provider was selected one consideration was that they were a New Zealand based agency whose methodologies would be internationally recognised and therefore acceptable to breed societies outside of New Zealand. Massey University has provided us a letter of introduction to utilise.

  At this point in time NZMHA is unable to utilise DNA read for any other organisation. This is not a decision of NZMHA's but a professional "courtesy" between the laboratories i.e. Massey will not read another labs DNA test without approval from the other lab and the initiator of the other test (eg. AMHA).

- ***Full details of local or overseas companies/organisations capable of performing the DNA testing process together with comparative costs.***

  It is not possible for NZMHA Council to provide details of local and overseas companies/organisations capable of performing DNA testing for a number of reasons including:
  - we do not have the technical expertise to be sure we are comparing the same service levels and methodologies i.e. we do not know whether we are comparing apples with apples or apples with oranges;
  - we do not have the resources to go out to the international marketplace and source this information;
  - the size of NZMHA's business is insignificant in the world market (84 stallion soundness certificates done in the 12 months prior to introducing DNA testing on Stallions);

It is important that we utilise a reputable, preferably New Zealand based, organisation that has proven systems (eg. maintains a database) and is respected in the marketplace both within New Zealand and Internationally. The Equine Parentage and Animal Genetic Services Centre (EPAGSC) at Massey University put on lectures for NZMHA members last year and we have been working with them since then to develop the process of DNA testing for NZMHA and also to introduce Colour Testing into New Zealand (done directly via Massey).

EPAGSC was established in 1986 as a joint venture between Massey University and the New Zealand Racing Conference, to develop and provide an internationally accredited blood typing service for the verification of parentage of Thoroughbred foals. With the advent of microsatellite based DNA genotyping this service has changed to the provision of International DNA Types and parentage verification based upon these. The test profile used exceeds the minimum standards for the equine profile as defined by the International Society of Animal Genetics.

Since its establishment the EPAGSC has blood typed more than 80,000 horses, and since 2000 has DNA typed more than 40,000 horses. Since 1990 the Centre has verified the parentage of all Thoroughbred foals prior to their registration. In 2004 the Standardbred registry changed to DNA typing and the Centre is now responsible for parentage verification of all Standardbred foals prior to their registration.

As the most experienced equine DNA test facility in New Zealand the Equine Parentage and Animal Genetic Services Centre (EPAGSC) at Massey University was the logical choice for NZMHA.

Cost

At the time we commenced discussions with Massey all DNA testing had to be done via the Thoroughbred Industry as they had an exclusive contract. Each test would have cost NZMHA $120 which would have meant a cost to our membership of around $140. This contract expired on December 31, 2006.

We managed to negotiate a reduced fee with Massey so that it now costs NZMHA $90 per test. We have added $20 per test to cover the administrative aspect by NZMHA – we have to process and pay Massey, we have to generate the sample envelopes and instructions and distribute them to the member requesting the test, we have to record that the horse has been DNA'd on our Registry etc. At $110 per DNA test as a one off fee to register breeding stock it is not a significant cost - it is recoverable in less than one stud fee / foal sale (even at pet values).

Organisation	DNA Cost	Colt/Stallion Registration
NZMHA	$110	$25
Arab	$100	Purebred $338
		Part Bred $169-$338
Warmblood	$110	$300
Standardbred	$105	$140
MHAA (converted to $NZ @ 0.85)	$103	$20

We are led to believe that other breed societies are having DNA testing carried out in New Zealand by other organisations at cheaper rates than that which NZMHA is charging/being charged. We are looking into this to determine whether it is the same level of testing (eg. number of microsatellites) and services (eg. database management) etc.

- ***Discussion of the information ownership with respect to DNA test results and their evidential status.***

The test is carried out as a requirement of the lodgment of the Stallions Certificate of Soundness with NZMHA and copies of the information are retained by Massey University (the database) and the NZMHA Registrar on NZMHA's behalf and provided to the NZMHA member. The Member by lodging the Stallion's Certificate of Soundness is granting NZMHA the right to utilise the information for NZMHA's purposes.

The test profile used exceeds the minimum standards for the equine profile as defined by the International Society of Animal Genetics and as such provides evidential evidence of the parentage of the horse tested.

Should this Resolution pass it is improbable that NZMHA Council can meet the requirement to provide full details of local or overseas companies/organisations capable of performing the DNA testing process together with comparative costs.

All other information requested has been furnished above. Hopefully the information provided is sufficient to satisfy the intent of the Resolution and the members will now vote against this Resolution.

3. That all regular members are to be given the opportunity to vote on a constitutional amendment in accordance with the rules and regulations of the New Zealand Miniature Horse Association on any proposed change to Stallion Soundness DNA requirements and the DNA elements of registration and/or any changes already implemented by NZMHA Council.

Council Comments

The only references to Stallion Certificates of Soundness in the Constitution are as follows:

REGISTRY AND STUD BOOK - Article 25

3. ….
   b. Hardship Registration
      ….
      In the case of stallions the normal fee for a Stallion Certificate of Soundness shall also be payable when applicable.
   ….

QUALIFICATION AS A MINIATURE HORSE - Rule 21

…

2. Eligibility for Registration - As per Article 25 of the Constitution and Rules:
   For Horses born prior to 31 July 2001
   a. Temporary Registration or foal recording is available for qualified Miniature Horses from birth to the actual age of 48 months. However, once a stallion has attained the age of 48 months an approved Certificate of Soundness as per the Society form, will be required, except where a stallion is to be used for stud purposes prior to the actual age of 48 months, then an approved Certificate of Soundness will also be required. Failure to produce such certificate will result in the refusal or cancellation of registration.
   b. Permanent Registration is available for a qualified Miniature Horse once it has attained the actual age of 48 months. Stallion registration requires an approved Certificate of Soundness as per the Society form.
   For Horses born after 31 July 2001
   c. Temporary Registration or foal recording is available for qualified Miniature Horses from birth to the actual age of 60 months. However, once a stallion has attained the age of 60 months an approved Certificate of Soundness as per the Society form, will be required, except where a stallion is to be used for stud purposes prior to the actual age of 60 months, then an approved Certificate of Soundness will also be required. Failure to produce such certificate will result in the refusal or cancellation of registration.
   d. Permanent Registration is available for a qualified Miniature Horse once it has attained the actual age of 60 months. Stallion registration requires an approved Certificate of Soundness as per the Society form.

….

The requirements for a Stallion to pass a Certificate of Soundness are not defined in the Constitution therefore the addition of the requirement for DNA Testing on the form is not a Constitutional change.

NZMHA Council has never made a Constitutional change without the approval of the NZMHA membership by way of the Annual General Meeting or a Special General Meeting. Any changes to the Constitution are special resolutions and as such require a three quarters (ie. 75%) majority of the postal ballots cast by the Regular members eligible to vote who voted in order to pass – this is a Constitutional requirement.

Should Resolution 1 be lost this Resolution will not affect the DNA requirement for Stallion Certificates of Soundness as is currently in place.

This Resolution should have been worded as a Constitutional Remit (i.e. an amendment to the Constitution) so that it could have been voted on at this time.

Should this Resolution pass then:

- **Constitutional Remit(s) will need to be drafted and either another Special General Meeting called or these remits carried over until the 2008 Annual General Meeting.**
- **Council undertakes to introduce no additional DNA requirements and carry the drafted remits over to the 2008 AGM so as to avoid the need and cost for another SGM.**

4. That NZMHA run three Regional Shows in the North Island.

Council Comments

The decision by Council to reduce the number of Regional Shows to two in each island was discussed at the Annual General Meeting. No motion was put to overturn this decision and therefore the members present effectively ratified the decision i.e. by not voting to overturn it they showed their support for the decision.

The rationale from the members calling for the meeting is flawed:

- The argument that with 2/3rds of the membership residing in the North Island the North Island should have three Regional Shows suggests NZMHA should be ranking membership services based on where a member resides – this is fundamentally wrong as all members pay the same membership fees and therefore are entitled to be treated the same (as much as possible).
- The geographic isolation in the South Island is much more than that in the North Island.

Reasons for Reducing the Number of Regional Shows

A number of years ago NZMHA Council introduced the Affiliated Club Premier Shows so as to provide a single top level show for each Affiliated Club as an alternative to the Regional Shows they had traditionally run on behalf of NZMHA.

The introduction of the Premier Shows was also the first step to returning the Regional Shows to 100% NZMHA control (i.e. standalone, run by NZMHA for NZMHA members only) something the members were increasingly calling for. Additionally the affiliation of multiple clubs in Regions has made it difficult to avoid the perception of NZMHA showing preference to a single Affiliated Club by allowing it to run the Regional Show.

Over the years the value/recognition as to the status of the NZMHA Regional Shows has diminished to such at extent that for many competitors they are not significantly different to an Affiliated Club Premier Show. NZMHA Council feels that as with any sport it is imperative to have various levels of competition – the ranking of events should be Club Fun Days, Clubs Shows, Premier Shows, Regional Shows and then the New Zealand Miniature Horse Show. Competitors/Exhibitors should be striving to do better as their experience grows at the higher ranked shows. As the ranking of the

shows increases so should the level of competition and the quality of the show itself including the calibre of the Judges. The intent therefore is to substantially differentiate the Regional Shows from the Affiliated Club Premier Shows.

The separation of Regional Shows from Club Shows also makes the ongoing issue of the number available Show Dates more difficult. If NZMHA was to continue to hold 5 Regional Shows in the North Island then the Show Calendar would have 5 dates unavailable for use by Clubs. With the reduction to 2 Regional Shows in the North Island the impact of separating the Regional and Clubs Shows on available Show Dates is lessened.

NZMHA's Affiliated Clubs are one of NZMHA's greatest strengths. The key function of an Affiliated Club is to facilitate interactions between Miniature Horse owners. By strengthening them NZMHA will strengthen itself. The reduction in the number of Regional Shows will allow Affiliated Club Shows to become stronger and thereby strengthen the Affiliated Clubs.

From the resource perspective NZMHA does not have the people on the ground or the financial ability to support seven Regional Shows (e.g. flying Council members around the country to work the shows). While NZMHA still retains a reasonably healthy bank balance the costs of running the Association continues to exceed the income received. Council continues to actively seek ways to reduce expenditure and increase revenue (without continually increasing existing fees). Attempts by Council to reduce the size of Council at the AGM were unsuccessful. It is not financially viable for NZMHA to support seven standalone quality Regional Shows.

At the workshop held prior to the AGM one of the questions put to the attendees was to list all the things that NZMHA as a Breed Society should be providing. Interestingly shows were not on a single members list. As a Breed Society NZMHA should be concentrating on promoting the Miniature Horse as a Breed and growing the Association for all Members not on running Shows.

Council is committed to ensuring that as much as is reasonably possible the services offered to every member are as even as possible. When membership base and the location of Regional Shows is taken into consideration it is clearly evident (refer to the table below) that members in Region's 6 and 7 have significant distances to travel in order to be able to attend two Regional Shows whereas members in Region 2 have had a significant advantage in terms of distances to travel in order to be able to attend two or even three Regional Shows.

2006-2007 Show Year

Region	No. of NZMHA Members (31-03-07)	No. of Horses / Exhibitors (2006-2007)	Profit (Loss) (GST inc)	Show Location	Est. Travel Time / Distance between Show Location of Next Region(s)
1	63	71 / 27	(161)	Ruakaka	R2 – 2 hrs / 134kms
2	91	88 / 33	391	Kumeu	R1 – 2 hrs / 134kms R3 – 2 ½ hrs / 172kms
3	128	96 / 39	(842)	Cambridge	R2 – 2 ½ hrs / 172kms R4 – 4 ¼ hrs / 302kms
4	71	146 / 50	2,883	Hawera	R3 – 4 ¼ hrs / 302kms R5 – 2 ½ hrs / 172kms
5	134	105 / 43	(90)	Palmerston North	R4 – 2 ½ hrs / 172kms
6	143	56 / 24	(158)	Christchurch	R7 – 8 hrs / 568kms
7	93	49 / 24	(782)	Invercargill	R6 – 8 hrs / 568kms

Notes: Profit/Loss figures include amounts posted after the AGM including:

- class rebate of $2.00 per class entry paid to Affiliated Clubs who ran a show alongside the Regional Show
- Credits for unused ribbons
- Show Expenses including a stewards fee, a judges fee, a venue hire and miscellaneous expenses

With the reduction in the number of Regional Shows this inequality will be lessened. The intent is that the two North Island Regional Shows will alternate between Auckland / Cambridge and Hawera / Palmerston North.

2007-2008 Show Year

Region	Show Location	Est. Travel Time / Distance between Show Location of Next Region(s)
3	Cambridge	R5 – 5 ½ hrs / 387kms
5	Palmerston North	R3 – 5 ½ hrs / 387kms
6	Christchurch	R7 – 8 hrs / 568kms
7	Invercargill	R6 – 8 hrs / 568kms

2008-2009 Show Year

Region	Show Location	Est. Travel Time / Distance between Show Location of Next Region(s)
2	Kumeu	R4 – 6 ¼ hrs / 440kms
4	Hawera	R2 – 6 ¼ hrs / 440kms
6	Christchurch	R7 – 8 hrs / 568kms
7	Invercargill	R6 – 8 hrs / 568kms

A lot of thought was put into the decision to reduce the number of Regional Shows with the key reasons being to increase the status of the Regional Shows, help promote the Affiliated Club Shows and even out the situation regarding access to Regional Shows for the members.

For NZMHA Council

David Crow
President