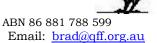
**QUEENSLAND CHICKEN GROWERS ASSOCIATIO** 

PO Box 12009, George Street, BRISBANE, QLD, 4003 Level 6, Primary Producers House, 183 North Quay, BRISBANE Phone: (07) 3837 4747 Fax: (07) 3236 4100



9<sup>th</sup> December 2011

The Research Director Environment, Agriculture, Resources and Energy Committee Parliament House George Street BRISBANE QLD 4000 Emailed to: <u>earec@parliament.qld.gov.au</u>

Thank you for the opportunity to participate in the review of the Chicken Meat Industry Amendment Bill 2011 being conducted by the Environment, Agriculture, Resources and Energy Committee (EAREC) of the Queensland Parliament.

The Queensland Chicken Growers Association (QCGA) is the peak body representing Queensland's meat chicken farmers, working on behalf of our members to secure a sustainable future within our social, economic and political environment. Our industry is a significant contributor to the Queensland economy, with a gross value of production of more than \$370 million, growing at the rate of approximately 4% per year.

We would like to clearly state our support for the legislation as it stands, and whilst we acknowledge that the amendment bill gives effect to a recommendation arising out of the 2009 independent review of Queensland Government boards, committees and statutory authorities (the Weller review), we feel that it is unfortunate that that review chose to recommend abolition of the Chicken Meat Industry Committee (CMIC) as a statutory body.

We support the functions of the CMIC and see its replacement by an industry-owned nonstatutory entity as a complex solution that would be detrimental to the way we do business. It is unwieldy, and not in the best interests of either growers or processors in the chicken meat industry.

The CMIC is currently seen as a neutral party by the industry, given its statutory nature. This perceived neutrality and government oversight contributes to the stability of the industry in general, and the negotiating arena for both growers and processors in particular. The QCGA believes that it is well-recognised that there is a significant imbalance in the relationship between processors and growers, it particular with regard to fee and contract negotiations. It is highly unlikely that growers would see an industry body over sighting the current functions of the CMIC as having sufficient neutrality to provide confidence in the process.

The committee at present is entirely funded by industry therefore there are minimal real costs to government. The current funding is derived from the annual registration of contracts, with growers paying 50% and processors the other 50%.

A vital function of the CMIC is the role of providing information to the Minister about industry issues. Under the Act the independent chair has the opportunity to brief the Minister on issues that are affecting the industry as a whole or those which are confined to the grower or processor sector. As a non-statutory entity, that would no longer be the case.

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If government chooses to amend the CMIC Act to follow the Weller recommendations then the implementation would be problematic for the reasons outlined above. In addition, it would require the willingness of industry participants to take on the added corporate responsibility of an industry-run company, with appropriately drafted and authorised operating procedures, that would need to be endorsed by government. There would of course need to be an appropriate, probably lengthy, transition period.

In conclusion, the Queensland Chicken Growers Association does not support the recommendation of the Weller review that the CMIC statutory body (that is, the committee) should be abolished and replaced by an industry-run company.

We will continue to work closely with Queensland government to ensure the industry is able to address the challenges of this review process.

We thank you for considering this submission and would welcome the opportunity to provide further contribution if requested.

Yours sincerely,

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Jodie Redcliffe President