



ENVIRONMENT, AGRICULTURE, RESOURCES AND ENERGY COMMITTEE

INQUIRY INTO THE CHICKEN MEAT INDUSTRY AMENDMENT BILL 2011

Comments in clause order

**SUBMISSION NO.1: QUEENSLAND CHICKEN GROWERS ASSOCIATION AND
SUBMISSION NO.2: MR JOHN MERLEHAN**

This document lists the points made in the submissions.

While the clauses are not specified, the comments relate generally to the Government's proposal to abolish the Chicken Meat Industry Committee and replace it with an industry-run committee. The points are therefore taken to relate to

- Clause 7 Omission of pt 2 (Chicken Meat Industry Committee), and
- Clause 8 Insertion of new pts 2A and 2B.

PREPARED BY EAREC SECRETARIAT 16 DECEMBER 2011

DRAFT DEEDI RESPONSE (AS AT WED 21/12/11)

Cl.	Section/Initiative/comment	Sub	Key Points	DEEDI comments
7	Omission of pt 2 (Chicken Meat Industry Committee)	Sub 1 QCGA	QCGA supports the legislation, but not the abolition of the Chicken Meat Industry Committee (CMIC) as a statutory body. (Sub 1,p.1)	The Queensland Government has made the policy decision to abolish the CMIC as a statutory body, as per the recommendation of the 2009 Independent Review Queensland Government boards, committees and statutory authorities (also know as the 'Webbe-Weller' review). However, the Government also decided that the assets and liabilities of the CMIC should be transferred intact to a replacement industry-owned and controlled non-statutory body.
7	Omission of pt 2 (Chicken Meat Industry Committee)	Sub 1 QCGA	"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." (Sub 1,p.1)	The main activity of the CMIC, under section 13 of the CMIC Act, is to facilitate collective negotiations for agreements, by convening a group comprising representatives of growers and a processor to negotiate agreements, and to recommend procedures for the group in the negotiations. Also, the CMIC can make recommendations to growers and processors about minimum conditions of agreements The CMIC has no role itself in collective negotiations, which are the responsibility of grower negotiating teams and each individual processor. No disputes have been referred to the CMIC for more than six years.
7	Omission of pt 2 (Chicken Meat Industry Committee)	Sub 1 QCGA	"The QCGA believes that it is well-recognised that there is a significant imbalance in the relationship between processors and growers, [in] 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." (Sub 1,p.1)	Government policy is to retain the specific authorizations for competition legislation in section 22 of the CMIC Act, as a way to address the perceived imbalance in market power. However, the CMIC has no role itself in collective negotiations, which are the responsibility of grower negotiating teams and each individual processor.
7	Omission of pt 2 (Chicken Meat Industry Committee)	Sub 1 QCGA	"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%." (Sub 1,p.1)	This is an accurate statement of the present position for the statutory CMIC. The future funding arrangements for the proposed replacement industry-owned and controlled non-statutory body are purely a mater for the industry to determine.
7	Omission of pt 2 (Chicken Meat Industry Committee)	Sub 1 QCGA	"A vital function of the CMIC is the role of providing information to the Minister about industry values. 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	Section 15 of the CMIC Act, allows the chairperson at any time, to give information to the Minister, and for the Minister to request information. The CMIC Act does not require the CMIC to report to the Minister, beyond the requirements on statutory bodies to report to the Parliament. Since 2009, the CMIC has met with or provided specific information to the

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			case.” (Sub 1,p.1)	Minister on two occasions. There will be no impediment to the proposed independent Chairperson of the replacement industry-owned and controlled non-statutory body meeting with the Minister as and when necessary. The proposed amendments to the Act do not impose any limitations on the Minister in this regard.
7	Omission of pt 2 (Chicken Meat Industry Committee)	Sub 2 Mr John Merlehan	Supports the views of the QCGA on the removal of the Chicken Meat Industry Committee statutory body. “....The removal of the CMIC and other statutory authorities is part of a broad agenda, alien to Australia.” (Sub2, p.1) “...the destruction and rearrangement of statutory authorities and local government in Australia removes the barriers to centralised Executive Government in Queensland under international directive.” (Sub 2, pp.1-2)	It is not appropriate for the department to respond to the submitter's comments as they refer to matters beyond the scope of the Bill.
7	Omission of pt 2 (Chicken Meat Industry Committee)	Sub 2 Mr John Merlehan	“The current and previous executive governments in Queensland are acting outside the implied consent of the people of Queensland. This specifically relates to the arbitrary nature with which fundamental aspects of law as it applies to Queensland are being tampered with by the executive. This is being done through covert means via an executive imperative to outsource their decision's to independent inquiries that are under the constraint of private foreign interests neither authorised nor consented to by the people of the Commonwealth inter alia the Crown.” (Sub 2, p.2) “The Executive Government, whilst operating without legitimacy, maintains the illusion that government is operating in accordance with the bounds of common law and due process by using the veneer of the sovereign parliament. The policies and pernicious influences of private supranational and multinational organisations that are counter to the interests of the Crown inter alia the People of Queensland are then implemented. It is important for servants of the people acting under this unlawful authority not to be complicit with executive directives as this places them outside of their prerogative.” (Sub 2, p.2)	It is not appropriate for the department to respond to the submitter's comments as they refer to matters beyond the scope of the Bill.
7	Omission of pt 2 (Chicken Meat Industry Committee)	Sub 2 Mr John Merlehan	“The world needs a stable chicken industry in Queensland. This is not the time to destabilise the industry with irresponsible short sightedness.” (Sub 2, p.2)	Section 22 of the CMIC Act, which sets out specific ‘authorizations’ for the purposes of the national competition legislation, provides a way to address the imbalance of market power between processors and growers. These arrangements are to continue and will not be affected by the proposed amendments, hence the Bill will not ‘destabilise’ the industry. It should be

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				noted that the CMIC has no role in the collective negotiations allowed by the authorization provisions of this legislation.
8	Insertion of new pts 2A and 2B	Sub 1 QCGA	QCGA see replacement of the CMIC by an industry-owned non-statutory 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". (Sub 1,p.1)	The proposed function of the proposed replacement industry-owned and controlled non-statutory entity is to provide a non-statutory mechanism to facilitate the convening of a group of growers and a processor to negotiate agreement; and recommend procedures for the group in negotiations. This is not considered by the department to be a 'complex' arrangement, and the proposed mechanism was supported by industry representatives on the committee that reviewed the CMIC Act.
8	Insertion of new pts 2A and 2B	Sub 1 QCGA	"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 added corporate responsibility of an industry-run company, with appropriately drafted and authorised operating procedures, that would need to be endorsed by government." (Sub1, p.2)	The corporate responsibilities envisaged for the directors of the replacement non-statutory industry-owned and controlled entity are similar to the responsibilities of the current CMIC members. The department does not consider that any additional burdens are being imposed on the industry representatives, as the corporate duties and responsibilities will simply be those applicable to any person who is appointed as a director of a Corporation Law company.
8	Insertion of new pts 2A and 2B	Sub 1 QCGA	"There would of course need to be an appropriate, probably lengthy, transition period." (Sub 1, p.2)	The Bill includes transitional provisions. However, it is not anticipated that the transition period will exceed 6 months.