

QUEENSLAND CHICKEN GROWERS ASSOCIATION



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17th December 2012

Australian Competition and Consumer Commission
GPO Box 3131
Canberra ACT 2601
Contact Officer: Megan Cunningham

Dear Megan,

**Re: Queensland Chicken Growers Association application for authorisation
A91347 - interested party consultation**

Thank you for the opportunity to comment on the draft determination by the ACCC in respect of the application for authorisation from the Queensland Chicken Growers Association Incorporated (QCGA).

The QCGA is seeking authorisation to collectively negotiate supply contract terms and conditions, including growing fees, with Inghams Enterprises Pty Ltd, Baiada Poultry Pty Ltd and Golden Cockerel (the Targets) on behalf of its current and future members who provide chicken growing services to the Targets.

We understand that before its final determination the ACCC is seeking the views of interested parties on our claimed public benefits and detriments, and that the application will be considered in light of any further submissions.

We welcome the proposition to grant authorisation for 10 years, the length of many current and proposed future growing contracts, due to the need for long term planning of production and investment in our industry.

With regards to the statutory collective negotiation arrangement under the Chicken Meat Industry Committee Act 1976 (CMIC Act) that currently operates, we give an undertaking that we will work with the Queensland government to repeal the Act, similarly to that which has happened in most other states of Australia. We acknowledge that in the absence of authorisation, the Act continues to support voluntary collective negotiation but that the ACCC authorisation allows collective negotiations to continue whether or not the Act remains in force or is repealed.

We are pleased that the ACCC has used information regarding similar previous matters and the likely scenario that if the current legislation were repealed, QCGA members would have to bargain individually with the Targets. This would add to transaction costs for both growers and the Targets. We concur that in balance the collective bargaining is likely to result in little if any public detriment, and on balance, would result in a benefit to the public.

We acknowledge the participation for the members of the Collective Bargaining group and the Targets is voluntary, and that the Targets are supportive of the Collective Bargaining.

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We understand that the ACCC proposes to authorise growers to form bargaining groups based on the processor for whom they grow, extending that to future participants that are members of QCGA. We also acknowledge that the proposed authorisation does not extend to engaging in boycott activity, common representation or sharing of information about contractual arrangement between bargaining groups.

Finally, we do not request a pre-decision conference prior to the final decision.

We look forward to improved grower input into contracts and other negotiations on other issues with the Targets, to achieve greater industry investment and more efficient bargaining outcomes.

Regards,



Jodie Redcliffe
President
Queensland Chicken Growers Association