



2nd May 2008

The Secretary
Senate Standing Committee on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600

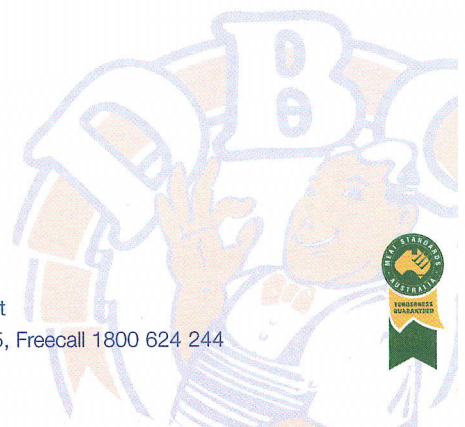
Dear Sir,

INQUIRY INTO MEAT MARKETING

Dardanup Butchering Company (DBC) was established in 1948 and has grown to become one of the largest food producers in Western Australia. DBC sources the vast majority of its beef, lamb, sheep and pork from local partners in the South-West of the State. DBC operates wholesale, retail and food service divisions. DBC operates the only multi-species abattoir in the State, which also incorporates a boning room and value adding section.

Western Australian meat processors are regulated by:

1. The Western Australian Meat Industry Authority Act 1976
2. Western Australian Meat Industry Authority Regulations 1985
3. Export Meat Orders 2005 administered by the Australian Quarantine & Inspection Service
4. AUS-MEAT
5. Health Department of Western Australia
6. Australian Standards for the Hygienic Production and Transport of Meat and Meat Products for Human Consumption
7. Meat Standards Australia
8. Local Government Environmental Health Act administered by their Officers
9. Trade Practices Act 1974
10. Department of Consumer and Employment Protection
11. Department of Environment and Conservation
12. WorkSafe
13. WorkCover



In April 2007 Kevin Rudd, as Federal Labor Leader, delivered his "*Facing the Future*" address to the National Press Club. He stated as follows:

"The truth is business regulation is now right out of control. The quantity and complexity of business regulation today is eating away at the entrepreneurial spirit of Australian business. But while enterprise is necessary to drive long-term economic growth, too much of our business community's time, effort and attention is being consumed by glorified compliance agents on behalf of governments, both Federal and State. This is stifling the incentive to take risks and to innovate. It throws sand in the engine of economic growth. Australian businesses know exactly what I mean."

The only regulator our industry does not have is the Keystone Kops and they cannot be too far away.

Processors are tired of regulation and the resources required to satisfy it. They are bewildered as to how competing industries get to operate in a much deregulated system. Unlike the red meat industry these competing industries can have very few players and their market dominance negatively impacts on competition.

Meat & Livestock Australia (MLA) estimates that consumer expenditure on red meat strengthened in 2007 by \$366m (up 4% on 2006) to reach a record of \$9.04b. Of the increase lamb moved up by \$187m and beef \$122m. The domestic market is arguably the largest and most stable market for Australia's red meat with MLA's figures showing red meat usage in Australia at 1.1 million cwt, up 6% on 2006.

Globally, Australia is the second largest exporter of red meat, supplying 4% of world beef and 7% of lamb.

It is imponderable that an industry delivering these numbers to the benefit of the Australian economy is to be the subject of a committee for inquiry.

We would be right to think that the red meat industry was entitled to a pat on the back. Then again Australia is renowned for its "Tall Poppy Syndrome".

Yours sincerely,

DARDANUP BUTCHERING COMPANY



M.F. PANIZZA
CHIEF EXECUTIVE OFFICER