

1972

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PARLIAMENT OF NEW SOUTH WALES

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REPORT  
FROM THE  
SELECT COMMITTEE  
OF THE  
LEGISLATIVE ASSEMBLY  
UPON  
THE MEAT INDUSTRY

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Part I—Report and Minutes of the Proceedings

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**SELECT COMMITTEE**  
UPON  
**THE MEAT INDUSTRY**

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**REPORT**

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On Tuesday, 24th August, 1971, on a notice of motion by the Member for Goulburn, Mr R. A. Brewer, the Legislative Assembly of New South Wales resolved:

- (1) That a Select Committee be appointed to inquire into and report upon all aspects of the meat industry in New South Wales with particular reference to livestock marketing, slaughtering, classification, grading, and distribution: and to make recommendations which could improve the industry to the benefit of both the producer and the consumer.
- (2) That such Committee consist of: Mr Crawford, Mr Fisher, Mr Gordon, Mr Kearns, Mr Mackie, Mr Mutton, Mr Nott, Mr Osborne, Mr Renshaw, and the Mover.
- (3) That such Committee have leave to sit during the sittings or any adjournment of the House, to adjourn from place to place, and to make visits of inspection within the State and to other States of the Commonwealth.

Your Committee agreed to the following Report which it begs to submit to your Honourable House.

**INTRODUCTION**

1. The Committee held its first meeting on 25th August, 1971, elected Mr R. A. Brewer, M.L.A., as Chairman, formulated certain procedures, and decided upon plans for the inquiry. The Committee subsequently met and deliberated on forty-six occasions.

2. The Committee agreed that the terms of reference contained in the motion for its appointment were wide and adequate.

3. The Committee commenced its inquiry with inspections of selected major abattoirs. Various abattoirs procedures were closely examined together with existing methods of carcass grading and classification and livestock handling problems that affect the meat industry.

4. Written submissions from meat industry organizations, government departments and several well informed individuals associated with the meat industry were received and studied in detail. Major organizations and bodies invited to make submissions to the Committee included the Graziers' Association of New South Wales, the Graziers' Association of Riverina, the United Farmers and Woolgrowers' Association, the Rural Action Movement, the Stock and Station Agents' Association of New South Wales, the Country Meatworks' Association, the Metropolitan Meat Industry Board,

the Wholesale Meat Traders' Association, Meat and Allied Trades Federation of Australia (N.S.W. Division), the Meat Exporters' Association, the Australasian Meat Industry Employees' Union, Campaign Against Rising Prices, Bankstown Branch, Union of Australian Women, Woolworths Limited, MacPherson Brothers (Wholesale Butchers), legal and technical officers from the Department of Agriculture in New South Wales, various Banking Institutions, University Economists, the Bureau of Agricultural Economics, Canberra, the Australian Meat Board, the New South Wales Meat Industry Authority and the Department of Primary Industry. Acknowledgement is also made of particularly valuable written submissions received from Mr I. Hamilton of Illabo, N.S.W., Cudgegong (Abattoir) County Council, Professor Rex Butterfield, Dean of the Faculty of Veterinary Science, the University of Sydney, Mr D. Carter of Crookwell, Mr B. P. Thompson of Wagga Wagga, Mr F. N. Giles of the Department of Primary Industry, Canberra, Messrs Fletcher and Pickett Pty Limited, Wholesale Meat Distributors and Exporters, Homebush Bay, Oberon Shire Council, Dubbo City Council, Manning Co-operative Meat Society Limited, and the Public Service Association of New South Wales. The foregoing submissions were among a total of fifty-three written submissions received by the Committee.

5. The Committee closely examined all submissions made in regard to improvements on existing marketing and production methods in the meat industry.

6. Informal discussions on matters of mutual interest were held in Melbourne and Sydney, with the Parliamentary Joint Select Committee appointed in Victoria to inquire into the meat industry in that State. Discussions were also held with the Australian Meat Board regarding results obtained on its findings on beef classification and grading. Experiments by the Commonwealth Scientific and Industrial Research Organization's Meat Research Centre, Brisbane, on carcass freezing methods, tenderizing, and hanging procedures, and carcass ageing and bacterial problems in the meat industry were examined by the Committee, by courtesy of Dr W. J. Scott, Director of the Centre.

7. Inspections were made of twelve abattoirs in New South Wales, Victoria and Queensland. Guyra (New South Wales, County Council), Homebush Bay (New South Wales, State), Riverstone (private), Cannon Hill (Queensland, State), Casino (Co-operative Meatworks), Borthwicks (Melbourne, private), Wodonga (Victoria, private), Conkey and Sons (Cootamundra, private), Goulburn (Municipal), Blayney (County Council), and Moss Vale (private), represented the five different types of abattoir management existing in this and in adjoining States.

8. Sworn evidence was taken by the Committee in Grafton, Riverstone, Blayney, Albury, Cootamundra, Goulburn, Moss Vale and at Parliament House, Sydney, from individuals and organizations representing every aspect of the meat industry.

9. In all, the Committee took evidence from ninety-seven witnesses, two of whom appeared twice, viz.: Mr J. J. Cusack, representing the Rural Action Movement, and Mr T. H. Bryant, representing the United Farmers and Woolgrowers' Association.

10. The Committee examined legislation passed in South Africa governing the management of the meat industry in that country and also studied similar legislation enacted in Western Australia and in New Zealand. Mr T. H. Bryant, a witness representing the United Farmers and Woolgrowers' Association, provided the Committee with a copy of the report submitted to that Association following a survey by him on the lamb industry in New Zealand.

11. During the course of its inquiry your Committee endeavoured to broadly examine all sectors of the meat and livestock industry in New South Wales. Circumstances did not permit your Committee making an intensive examination of all areas within the industry. Specific areas in the industry might, therefore, be further examined, as and when a future need arises, by an industry body if appointed by the Parliament.

12. Your Committee is cognisant of the petition presented to His Excellency the Governor of New South Wales praying that a Poll be held under the provisions of the Marketing of Primary Products Act, 1927, to determine whether or not a Sheep Meat Marketing Board should be constituted to market all sheep meats in the State. Written submissions made to your Committee on the subject will be subsequently referred to in this report.

13. For purposes of inquiry and report the Committee determined that the meat industry should include all meats derived from the carcass of a live animal slaughtered at any meatworks in the State of New South Wales licensed to kill for export or home consumption, and that such meat has been inspected and passed as fit for human consumption either by the New South Wales or by the Commonwealth

Meat Inspection Service. The Committee is strongly of the opinion that because of the inter-relationship between pricing and consumer requirements, lamb, mutton, pork and beef, should all be jointly considered in any market improvements implemented. Also, that these sectors of the meat industry should be dealt with as a whole (including livestock production, slaughtering and distribution) and that no single sector of the industry should be permitted to dominate another.

14. Evidence given before the Committee disclosed latent feelings of distrust between producers of livestock and the meat trade with each sector having little appreciation of the problems besetting the other. This state of affairs is attributable to a lack of communication between the producer and the trade, the lack of an efficient marketing intelligence system, the lack of an established policy of carcass definition on which a pricing system could be based, and the lack of uniform abattoir and meat inspection procedures.

15. The development of livestock auction marketing in New South Wales without the encouragement of alternatives such as consignment selling and over-the-hook sales, and the absence of an accepted definition by which carcass quality and value can be assessed and reported, discourages the producer from objectively analysing carcass faults in the stock he has marketed. Consequently, many producers have been found to be unaware of the requirements of good livestock production management that should be exercised by them to correct faults that are costly in the production of meat.

16. The wholesale butcher in turn tends to discount the value of stock purchased at auction to allow for hidden faults which invariably exist in the livestock he purchases. Costs which could often be eliminated by the producer remain hidden in an inefficient averaging system which does not sufficiently encourage the producer capable of efficient production.

17. Most primary producers and all primary producer bodies examined under oath were dissatisfied with the present marketing system. It was agreed in almost all cases that there is a vital need to trace back faulty production of livestock to the individual producer. A common denominator in almost all the submissions made by primary producers and their organizations was for weight and grade marketing and a proper system of market intelligence. A number of primary producers who gave evidence before the Committee had little or no knowledge of all aspects of the meat industry and in most cases were unaware of processing procedures in a meatworks.

18. A criticism most frequently levelled at producers by some operators was that the producer was not interested in inspecting the carcasses of the animals he had sold. Producers, on the other hand, complained that they had difficulty in arranging for inspection of carcasses.

19. The weight of evidence before the Committee clearly disclosed that there are economic problems in the lamb and mutton industry. The beef industry is enjoying a degree of prosperity with every indication that it will continue to prosper in the future. The pig industry is subject to severe fluctuations of price which range between good profits and severe losses. The Committee did not inquire into the poultry broiler industry but is aware that poultry meats have successfully competed against red meats and that it will continue to do so with the aid of efficient merchandizing and costing.

20. The pet foods industry, which the Committee investigated to a limited degree, could be of increasing benefit to most abattoirs in view of the rapid growth potential of canned and dehydrated pet foods prepared from meat supplied by these abattoirs.

## **THE BEEF INDUSTRY**

1. Until the end of the second World War the Australian beef industry enjoyed a comparatively minor place on world markets, principally because of the great distances beef had to be shipped. This necessitated export beef being presented on world markets in frozen form while countries like the Argentine exported its product to the United Kingdom market in chilled form thus giving that country an advantage in presentation. The cattle industry was, in such circumstances, somewhat unpredictable depending principally on the home market for the sale of quality beef.

2. As the American beef industry became more orientated towards the production of prime cattle, the production of manufacturing grades of beef declined. At the same time, owing to the high cost of prime beef to the American consumer and its increasing population, cheaper hamburger and manufacturing meats enjoyed a flourishing trade in that country. America did not produce sufficient quantities of manufacturing

beef and was consequently compelled to import supplies from Australia and other countries. This situation provided a great boost to the Australian meat industry particularly in areas where only low grade beef could be produced. The American importer required lean, boneless beef and the disadvantages of freezing and transportation were no problem. The price for boneless beef on the American market was an attractive one to the Australian industry and had the effect of taking away from the home market a vast quantity of low grade beef, thereby inducing keener competition for quality beef on the local market. For the first time in its history the local beef industry now appears to have found commendable economic stability.

3. In recent years there has also been an increasing demand for quality beef in markets such as Japan. It is now possible for exporters to supply quality beef to many places in the world because of modern packing techniques, advanced chilling and freezing procedures and the use of air freight. During this period Argentine beef herds suffered the ravages of foot and mouth disease thereby excluding export to the North American and other export markets. The depletion of Argentine beef herds gave a further boost to Australian beef exports. These factors have combined to create a demand for Australian beef on the export market which has resulted in export prices equivalent to or better than in the home market for some quality cuts. Australia now exports approximately 50 per cent of its beef production and is the leading exporter of beef to world markets. Even with the rapid increase in Australian production it would appear that demand for Australian beef on world markets will continue to keep ahead of production. This augurs well for the beef industry.

4. It must be borne in mind that there are features which could cause a temporary depressing effect on the beef industry which to some degree, are parallel with recent events in the lamb industry. The lack of profitability in the wool industry induced greater numbers of wool producers without sufficient knowledge of the beef industry to turn to beef production. These producers purchased female cattle, not always of good quality, at high prices, for beef production on country unsuitable for cattle raising. A high percentage of wool and lamb producers who appeared before the Committee admitted that they were changing production to cattle but the high cost of changing to cattle may dampen a transfer of enterprise to some degree. If the circumstances mentioned bring about excessive numbers of low quality cattle there is a distinct possibility that if such cattle are forced on to the market by drought the slaughtering system could be overtaxed resulting in a possible fall in values. This could cause a lack of confidence among beef producers inducing them to quit in order to recover capital thus causing a temporary recession in the beef industry. This was in evidence to a minor degree during the autumn of 1972. However, prices should remain high for good quality cattle.

## **THE MUTTON INDUSTRY**

1. The mutton industry has developed as a by-product of the wool industry. In the early 1950s when wool prices reached their highest peak, market values obtained at that time for aged sheep and culls were much lower than when wool prices fell to a lower level. When American demand for lean, boneless, red meats commenced to exert its influence on world markets, Australian mutton became increasingly in demand. Consequently, the prices paid for surplus sheep exceeded their actual value as wool cutters. It is interesting to note that while wool prices were declining sheep values rose because of competition in the auction market between the meat trade and the re-stocker to fulfil American export requirements.

2. During the drought of 1965-66 values for Merino sheep remained high because of confidence in the maintenance of exports to the American market. In the late 1960s as wool prices declined further, American interest in our mutton also showed a decline, and sheep values began to fall. The market was supported to a degree by a diversification scheme which opened up new markets to which exporters often exported at a loss to gain an entitlement to the more lucrative American beef market.

3. The Australian average for greasy wool fell to approximately 25 cents per lb which had the effect of eliminating competition from re-stockers in the auction market because of lack of confidence in the wool industry. During the autumn and winter of 1971, owing to the lack of confidence in wool and poor seasonal conditions in many areas of the State, greater number of good wool cutters found their way to auction with competition coming only from the meat trade. This meant drastically reduced prices for good sheep; skin values being at an all-time low caused further depressed sheep prices. New South Wales, having the highest numbers of Merino sheep in the Commonwealth, naturally experienced the greatest diversion of sheep to the meat industry and the influx of sheep to be slaughtered reached peaks which exceeded the



capacity of the State's abattoirs. Operators consequently found it impossible to have slaughtered at abattoirs the sheep they had purchased at low prices. Sheep losses occurred through death and many sheep became so emaciated awaiting slaughter that they showed little or no profitable return even on the low prices that had been paid for them.

4. In an endeavour to get into the more lucrative beef industry many growers were prepared to quit sheep at any price thus placing further stresses on the auction system. Wool prices showed a rise in early 1972 and one would have normally expected the wool industry to compete with the meat trade for better quality sheep. However, this did not happen and one can only suspect that producers who increased cattle numbers at high capital cost and were affected by near drought conditions during autumn, further reduced sheep numbers to preserve their investment in cattle. Record numbers of sheep, therefore, continued to find their way to the abattoirs for slaughter. The greatest contribution to recently increased sheep prices was a substantial lift in skin values. If wool maintains its present price level, sheep prices could be expected to show considerable gain when the season breaks.

### THE PRIME LAMB INDUSTRY

1. The prime lamb industry in Australia has been developed to meet the needs of local consumption. Consumption per capita increased from 15 lb per head of population in 1938-39 to 49.4 lb in 1969-70. These figures indicate that the lamb producer experienced an expanding home market until 1970; he also enjoyed a measure of prosperity until about 1967, when production considerably outstripped consumption. The price of wool has traditionally had a large bearing on the prime lamb industry. It has certainly had a great deal of influence on profitability to the producer. Wool has had considerable influence on the type of lamb bred in Australia resulting in a heavy infusion of Merino characteristics in the Australian lamb. It need scarcely be emphasized that lamb meat production has largely been a by-product of the wool industry until recent years.

2. Because of the influence wool had in the profitability of lamb production a variety of carcass types were developed to the detriment of carcass conformation. The closer a lamb is bred to the Merino the poorer the quality of the carcass. First cross lambs make up a large proportion of our production, viz., Merino/Border Leicester, Merino/Romney Marsh and Merino/Dorset Horn. Such lamb does not grade out well; small wonder then that an average of about one in six of all Australian lambs make the top grade.

3. Export has played a minor role in the New South Wales lamb industry for the reason that we have had the benefit of the large Sydney Metropolitan market. The export lamb industry has been difficult to develop in New South Wales because of inadequacies in the quality of lamb produced to reach export grade standards. Even the lamb we do export is at a price disadvantage to New Zealand lamb for the obvious reason that it is of lesser quality.

### THE PIG INDUSTRY

1. The Committee's inquiry into the pig industry was rather limited. Only one producer proffered sworn evidence. However, he was a practical, well informed witness and provided the Committee with valuable information. The only written submission received by the Committee was an informative document from the Principal Livestock Officer, Pigs, the Department of Agriculture, Sydney. From the limited information provided to the Committee it would appear that the industry had been going through a prosperous period in recent years. At the present time there are indications that profitability in the Pig Industry is marginal as prices are declining and the increase in the number of breeding sows in the State could indicate a further decline in pig values. In the past seven years, breeding sow numbers have risen from 59,000 to 118,000.

2. The pig industry had traditionally been a by-product of the dairy industry, and in latter years the wheat industry. It is only in recent years that intensive pig production techniques were introduced in Australia. Previously, the industry had been a violently fluctuating one. As prices rose, numbers increased, and when prices fell to near or below a profitable level, numbers declined. Under the old system, because of lack of capital involvement in the industry and the rapid reproduction rate of pigs, fluctuations were the order of the day. The old system was one which lent itself to inefficiency and to the production of low grade pig meats.

3. With the introduction of intensive methods of pig production in New South Wales quality and efficiency improved considerably. However, these factors may create over-production resulting in lower prices eventually forcing the small producer on a less intensive system to the wall. The smaller pig producer in the wheat and grain industry may be able to withstand the economies of the intensive grower and survive with access to cheap grain whereas the intensive farmer may have no option other than purchase grain or manufactured feed from grain sold by the Australian Wheat Board and other grain boards at higher prices. The high capital cost of the intensive system may be a deterrent to intending investors if pig prices continue to fall.

4. The pig industry has never enjoyed an export market of any consequence. There are indications that the industry is organizing itself to overcome its problems and to look to the export field more seriously. If beef and lamb prices tend to rise to a higher level than they are at present, pig meats could gain a much greater share of the home market.

## **PROBLEMS OF THE LIVESTOCK INDUSTRY THAT AFFECT MARKETING AND MEAT PRODUCTION**

### **Seasons**

1. The livestock industry in New South Wales is to a great degree subject to and influenced by seasonal conditions. Areas generally given to the production of livestock in this State do not enjoy seasonal stability, especially the traditional sheep areas of the Western Division. Even the Tablelands of the State are frequently subject to near drought or drought conditions.

2. Sheepmen are sometimes forced to sell their stock at most inopportune times due to the dictates of the season and usually at a price disadvantage because many other producers are similarly affected. In addition, low prices for mutton and wool have forced the farmer to sell rather than feed his livestock. In the past the dealer played a major role in levelling-out market fluctuations by purchasing stock in seasonally affected areas and transporting them to areas where feed was more plentiful. However, the cost of transportation today and over-competition from the meat trade a few years ago for store-stock put many dealers out of business. These events accentuated market over-supply. The cattle industry does not experience this phenomenon to the same extent.

3. Climate is one of the unpredictable hazards so far as meat and livestock production are concerned and merits particularly close consideration when market reforms are formulated taking into account the fact that meat and livestock are perishable commodities the quality of which is adversely affected by seasonal variations.

### **Grass Seed**

4. Carcasses affected by grass seed are costly to the meat trade. The problem is one which could be overcome or at least minimized in many areas by better livestock management and pasture improvement. In the more arid areas of New South Wales, however, grass seed is a problem that is difficult to eliminate. Because the slaughtering of seed affected sheep in abattoirs necessitates slowing down the dressing chain (inspection, trimming and re-inspection) with a concomitant rise in costs, every endeavour should be made by producers to minimize the grass seed problem. This could be brought about by producers notifying abattoirs of seed affected sheep brought in for slaughter so that they could be processed at a convenient time during slaughtering hours thereby not retarding the usual speed of the dressing chain. A penalty rate may have to be levied by abattoirs on owners presenting seed infected sheep without prior notification. This, however, would require a degree of trace-back which, in present circumstances, is rather difficult.

### **Stained and Dirty Sheep**

5. Stained, daggy, dusty, muddy and flyblown sheep have been a problem as far as abattoir hygiene is concerned. Due to a campaign recently carried out within the industry to eliminate these faults considerable improvement has taken place. The responsibility for preventing the incidence of dirty sheep lies primarily with the producer or owner. Stained and daggy sheep should be crutched preferably two or three weeks prior to being trucked for slaughter. Before sheep are trucked from the

farm for sale or slaughter they should be given time to empty out. Carriers who do not pay sufficient attention to cover between decks and maintain clean transport vehicles should not be engaged. Auction saleyards handling sheep should be paved and free of excessive mud and dust. It is probable that in the not too distant future, major export customers will insist on this requirement. Dust from saleyards undoubtedly has some effect on bacterial counts at slaughter.

6. The Committee agrees in principle with the resolution adopted at a representative conference of meat industry interests and associated authorities on 1st October, 1971, and quoted by Mr K. F. Gooley, President of the Country Meat Works Association of New South Wales, in evidence tendered by him, should be adopted as industry policy.

The text of that resolution is as follows:

“That this meeting adopts as a standard that we accept for slaughter only those sheep, including lambs, that can be slaughtered without requiring further attention by way of cleaning, e.g., that they be free of dags, mud, excessive urine stains and fly strike, and that in the event of sheep and lambs being submitted for slaughter in an unclean condition, the owner either removes such animals for treatment or the abattoir may carry out such treatment for a cost of not less than 50 cents per animal, and that abattoirs must be prepared to indicate their percentage of above rejections on numbers slaughtered, also reason, on a weekly (or monthly) basis, on request by any recognized organization of the industry.”

### **DISEASES, PARASITES AND CAUSES AFFECTING MEAT PRODUCTION**

1. Tuberculosis in cattle and pigs has been a problem in past years to the meat industry particularly in the separation and disposal of stock suspected to be diseased. High health standards now demanded by export customers and the forecast of more stringent requirements by the United States of America could have an economic impact on the beef industry. In New South Wales the Department of Agriculture through its tuberculosis eradication scheme and its meat inspection service has made great strides in eradicating the disease. The introduction of tail tagging cattle enables the Division of Animal Industry to trace back and identify the property on which the diseased animals were last depastured. These procedures place this State in a very sound position so far as export requirements are concerned. Swine branding has had the same effect on the pig industry.

2. Brucellosis, otherwise known as contagious abortion, not only has an adverse economic bearing on cattle and sheep production but could also be a limiting factor in our export markets. For instance, West Germany will only accept meat from Brucellosis free areas and there is also the possibility that when the United States of America eliminates the disease in its own country it will demand similar conditions from countries which export meat to America. Every endeavour must be made to eradicate Brucellosis in New South Wales. Again, tail tagging is most important for trace-back to infected herds.

3. Hydatids is a serious factor so far as offal recovery is concerned in both sheep and cattle. The Committee witnessed evidence of liver recovery as low as 27 per cent in some areas because of Hydatids and *Cysticercus Ovis*. There is a vital need to trace back the incidence of Hydatids to properties and to advise property owners of measures necessary to effect elimination. Although this could be done with cattle, trace-back in sheep poses difficulties.

4. The economic cost of *Cysticercus Ovis* to the sheep meat industry is virtually impossible to estimate because the minute calcified parasite is found deeply embedded in animal muscle. Meat inspection and boning out becomes a costly process, condemnation and trimming of carcasses add to the cost, and the rejection of mutton consignments in the United States of America are high because even after meticulous inspection cysts may be revealed in the frozen meat pack upon arrival at its destination. *Cysticercus Ovis* is also responsible for high offal condemnation rates and causes greater economic loss to the meat industry than any other parasite. In certain areas of the State it renders older sheep unprofitable to be processed in a meatworks. As *Cysticercus Ovis* requires a canine host in its infection cycle the control of this parasite among grazing animals is possible; the domestic dog being the major link in any eradication programme. Raw offal or raw meat should not be fed to dogs, especially lungs, livers and hearts, as these are the animal organs most frequently infected. If the dog ingests the cyst the resultant tape worm when evacuated on to pasture disintegrates and re-infests sheep.

5. Every property should have some method of burning, boiling or burying offal from slaughtered animals. These precautions are also recommended to control Hydatids. Foxes are also hosts in the *Cysticercus Ovis* cycle and although their habits are less conducive to the spread of spores on pasture, dead sheep should be collected and disposed of as a precaution. The control of *Cysticercus Ovis* is so important to the mutton industry that consideration should be given to feeding the farm dog on processed dog foods rather than fresh carcass meat, which practice is compulsory in New Zealand.

6. Nodule worm is the principal cause of stony runners in casings because of lesions caused by this parasite in the intestines. Stony runners cause considerable financial loss to the slaughtering industry as the sale of runners offset slaughtering costs. Control should be no problem with broad spectrum drenches combined with proper drenching programmes.

7. Caseous Lymphadenitis or cheesy-gland in sheep is responsible for a high percentage of carcass condemnations in older sheep. It is a pussy infection of the lymph gland. If five or more glands are found to be infected during meat inspection for American requirements the carcass is condemned and yields little value. Caseous Lymphadenitis is mostly transmitted as a result of cuts received in the shearing process. As it is far more prevalent in older sheep and almost completely absent in lambs, hygiene and careful management of stock at shearing time is an important factor in control. The disease could virtually be eradicated if sheds, yards and shearing equipment are disinfected prior to shearing, if lambs are shorn separate to the general flock and hoggets shorn first.

8. The handling of livestock being sent to any market or slaughter house is most important. A biting dog, a protruding nail or bolt, or grasping a sheep by its wool may contribute to preventing many a good carcass from making top quality. Careless inoculation is another factor for spoiling high-priced cuts of meat. Bruising seriously affects carcass value and can be minimized by the careful handling of stock during transportation.

9. Livestock problems which have been mentioned in this Report cause economic loss to the meat industry and are the responsibility of the producer or owner in so far as preventive measures are concerned. The average owner or producer has shown little interest in minimizing these problems in spite of a great deal of extension work carried out by the Department of Agriculture, the Australian Meat Board and the meat industry generally. The attitude of the producer or owner to these problems must change. Most of the disease factors referred to are concealed; therefore, those who do observe the rules are penalized because of the present system of applying an overall price penalty on all stock purchased to cover losses at slaughter. The owner or producer who presents faulty stock to the livestock market enjoys an unfair advantage under the present system. There is a pressing need for a proper system of trace-back identification and marketing intelligence not only from abattoirs but from the market place as well.

### **LIVESTOCK TRANSPORTATION**

1. The transport of livestock is a specialized service carried out by the New South Wales Department of Railways and road livestock hauliers. Drowing stock is no longer a practical proposition except in some instances from saleyards to meatworks where both premises are conveniently situated.

2. The semi-trailer type of stock transport suited either to sheep or cattle transportation has been a boon to the livestock industry. It is fast, reliable, convenient, and can move stock from paddock to saleyards or meatworks with a minimum of handling and stress to stock. Bruising need not occur on road transports provided normal care is exercised and trucks are properly built and maintained. Transport charges are in keeping with the service rendered and the industry appears to be highly competitive.

3. Rail is generally not as convenient for the movement of livestock for sale or slaughter as road transport, except for moving stock after sale at regional centres to Homebush State Abattoir where large numbers are marshalled in the one place, and for transporting stock from one large centre to another. Moving a few head of stock by rail from holdings not within proximity of trucking yards often entails double handling in getting such stock to the trucking yards. In most cases drowing stock is out of the question and a road transport has to be engaged. The vehicle usually travels some distance empty, then transports the stock to the siding and unloads the stock which in turn have to be re-loaded onto a railway truck. Under these circumstances livestock transportation becomes a costly process. Once stock have been loaded onto a lorry the most economical proposition is to continue the journey without interruption to the final destination.

4. Rail transport is both inflexible and cumbersome in moving stock from holding to market. Loads have to be assembled to suit train timetables often resulting in stock consignments not reaching their destination as fresh as those transported by road. This applies particularly to the Tableland areas within 200 miles of Sydney. Evidence has indicated that less stock bruising occurs in rail transport than road, particularly with cattle. Freight charges are reasonable if road transport costs are not incurred to get stock to rail.

### LIVESTOCK MARKETING

1. Livestock markets in New South Wales fall into the following categories:

- (a) Fat Stock Auction: Includes all types of livestock, fats and store. Pigs must proceed to slaughter direct from auction.
- (b) Live Weight Cattle Auction: Includes cattle, generally prime.
- (c) Paddock Sales: Includes all types of stock.
- (d) Negotiated Sales over the Hooks: Includes cattle, pigs, lambs and sheep.
- (e) Consignment Selling: Occurs solely in respect of Homebush sheep, cattle and lambs.
- (f) Co-operative Marketing: Includes all types of stock.

2. Most producers examined by the Committee were dissatisfied with the auction system but could not justify its elimination. Representatives from the Graziers' Association of New South Wales, the United Farmers and Woolgrowers' Association and the Rural Action Movement agreed that the auction system could not be completely done away with but felt that prime stock should be taken out of auction sales and sold by more direct methods.

3. It was made evident to the Committee that producers have little idea of the type of carcass yielded from livestock they marketed. Very few of them took the opportunity to follow up sales and inspect carcasses on the hook. Those that did so were producers who successfully utilized both the auction system and over the hook sales.

4. Producers of lamb and mutton examined were reluctant to use other alternatives now available to the auction system. About 75 per cent of sheep and lambs in New South Wales were sold at auction, 20 per cent sold in the paddock and 5 per cent negotiated sales over the hooks and consignment sales.

5. The number of producers selling cattle over the hooks is greater in the northern part of the State than in the south. Up to 80 per cent of cattle are sold over the hooks in some parts of northern New South Wales.

### FAT STOCK AUCTION MARKET

1. The fat stock auction market is the most commonly used method of disposing of livestock. Although the meat trade is the principal competitor, re-stockers, dealers and fatteners also compete in the fat stock market. The sheep and lamb market does not enjoy the same degree of competition from re-stockers, dealers and fatteners as do cattle at the present time. However, when wool prices were at a higher level, competition, other than from the meat trade, was a real factor in the lamb and mutton market so far as price was concerned.

2. This indicates the value of the livestock auction system to realize the optimum price advantage from competition between "The Trade" re-stockers and fatteners. This type of competition only exists while the animal is alive; once the producer converts his live animal to carcass form he is completely in the hands of the meat trade.

3. Evidence showed that considerable numbers of store stock, principally sheep and cattle, are sold at fat stock auctions. With the development of country killing centres the fat stock auction system became the principal market used by the producer to dispose of surplus livestock, prime or store.

4. Evidence also showed that although producers were dissatisfied with the auction market and the prices obtained therefrom only a few could avail themselves of the limited alternative offering, viz.: negotiated hook sales or consignment selling. Most producers sold by auction for various reasons, some of them being:

- (a) Having stock in prime condition ready for market.
- (b) Poor seasonal conditions and lack of feed.
- (c) Financial reasons.
- (d) Disposal of surplus livestock.

5. It is rather unique that sheep and lamb producers who receive low prices were reluctant to try the alternatives to auction selling and that cattle men enjoying high prices for their stock were more prepared to sell on an over-the-hooks basis.

6. The Committee is aware that excessive competition from sellers of lamb and sheep has given rise to market over-supply. With the meat trade being almost the sole operator it is small wonder that price variations occurred, this fact being borne out by figures published by the Department of Agriculture, concerning fluctuations at Wagga Wagga saleyards, which disclosed a variation of 31 per cent. (See Appendix "E".)

7. The flow of sheep and lambs for sale throughout the State was not only in excess of demand but exceeded the slaughtering capacity of the State's meatworks. Considerable waste ensued whilst operators waited to get a quota for the slaughter of the stock purchased. This was a manifestly clear indication that the circumstances were exceptional and that no system of marketing could have handled the situation any better.

8. There is no doubt that although wastage in the trade was high, profits were being made on the sale of mutton through export markets because the overall cost of the commodity was low enough to place it on lower-priced overseas markets.

9. It is problematical whether even if there was in operation at the time a Board acquiring sheep and lamb carcasses that a better return would have been obtained by the producer at a time of over-supply. Exporters would not be so willing to operate on lower-priced export markets to the extent they did, with high operating costs, if they had to pay what was estimated to be a reasonable price by producers. It would have meant that many thousands of sheep would not only have been unwanted by the export trade but also by the livestock industry, resulting in the producer bearing the entire loss of the unwanted sheep. The claim that auctions set a price which will clear the market and dispose of stock appears to be correct.

10. It was submitted to the Committee by livestock agents, economists, butchers and some producers, that the auction system balances supply and demand by setting price. Lamb was under-supplied in New South Wales during August, 1971, when the average price for lamb in that month rose to 20.4 cents per lb, the highest price paid for that commodity at auction since 1967, when the average for that year was 20 cents per lb. Since 1967, supplies to the market continued to increase above demand and average prices for lamb showed a steady decline. This clearly indicates that the auction system is sensitive to the movement of supply and demand and that it fixes price accordingly.

11. The live auction market is a useful system of stock disposal in that large numbers of stock of varying description are assembled at a single centre which facilitates selection and purchase of livestock for trade requirements thus reducing buying costs.

12. It would appear that some of the buyers' costs are transferred to the producer at auction in relation to paddock sales, but it is accepted that these costs are allowed for by the buyer in the paddock anyway. Yard dues and extra handling charges are additional expenses incurred by the producer at livestock auctions, apart from bruising and its resultant wastage. There was no evidence to indicate that bruising from transportation and re-handling was a major consideration. Evidence at Homebush State Abattoir showed a low incidence of bruising. This provides a reliable indication as most stock killed at Homebush State Abattoir is transported and re-handled from many parts of the State.

13. Evidence in regard to wastage is inconclusive. A study by the New South Wales Department of Agriculture indicates a weight loss of 1.3 lb on prime lambs auctioned as against lambs sent for direct slaughter. Studies in Australia and abroad show no significant weight loss when lambs are fasted for 24 hours. The Commonwealth Scientific and Industrial Research Organization shows a loss of lamb weight, after 24 hours starving, of 2.3 lb per day. If the producer of prime lambs sold direct and delivered stock to abattoirs by negotiation with the trade, the saving in wastage would be his financial gain and should encourage him to use the more direct selling methods available.

14. It was agreed by those who advocated direct marketing that the services of the livestock agent could not be dispensed with by many farmers because of such farmers' lack of knowledge of trade requirements. It was suggested by a witness before the Committee that stock agents' fees should be lower. But if an agent travels some distance to a property to inspect or to draft stock it is difficult to envisage how his fees could be made less than the fees charged by him at a central point such as the saleyards. An agent's commission is regarded as a constant fee for a service provided.

15. The auction system is liable to criticism because it is conducive to variation in market prices. This is a reflection of supply and demand on the market and could be brought under control by regulating the flow of livestock onto the market. Alternative marketing systems would likewise be subject to these factors unless livestock production quotas are imposed on producers which, in the opinion of the Committee, would be disadvantageous to the livestock industry. The producer must retain under any marketing system the unfettered right to dispose of stock whenever he elects to do so.

16. It is recognized that there are faults in the auction system which could be corrected. Auction sales and auction yards are only as good as their controlling authority. Under the present system the management and control thereof rests with local-government bodies and agents, with administration varying from centre to centre. When the market is over supplied in relation to demand, collusive buying becomes a threat if the rules of the auction system are not strictly policed. If the situation were reversed competition between buyers will tend to rule out this threat. The contrast between cattle and sheep auctions in 1971 have supported this contention.

17. Wide discrepancies between stock numbers drawn for and those advertised by agents can affect values in a market particularly when the number of stock yarded is greatly in excess of those drawn for, an incidence which frequently occurs when the preceding market reports indicate a rise in values. If a centre is continually under-supplied in relation to numbers advertised, some buying strength may by-pass the centre.

18. Because of the lack of an objective marketing intelligence system on which prices are reliably based, the interpretation of the state of a previous market may not be a true reflection of that market and could raise or lower values in a following market. Because of the lack of objective market appraisal, sales may vary in the one market and from centre to centre. A grower can either be dissatisfied with his price because he has not been able to interpret the market or because the buyer has not accurately assessed the value of his stock. Homebush and Newmarket are the yardstick for values in New South Wales country markets. A rise or fall in any one or both these centres may trigger off an excessive flow of stock to country markets and create a temporary movement in price.

19. Butchers, auctioneers and others associated with the trade agree there is difficulty in accurately estimating live weight and dress-out of any animal without its detailed pre-sale history. Evidence examined by the Committee shows that even the most skilled operators make errors of judgment in estimating weight and yield. One has only to observe hoof and carcass competitions to see wide variations of the true assessment of prime live animals in relation to results shown on the hook.

20. Studies made at Homebush State Abattoir show a discrepancy in price realized between live-weight and per head sales of animals of the same live-weight. The error is mostly on the side of under-estimation; it being only natural that any purchaser tends to err on the safe side. Some butchers and most livestock agents questioned by the Committee agreed that the errors of the purchaser tend to average out over the day. This is an unsatisfactory situation to a hypothetical owner whose beast is, say, under-estimated by 40 lb. If sold at 16 cents per pound he will lose \$6.40 on a beast. Investigations made at seven country centres disclose that prices were 4.7 per cent below those ruling at Homebush State Abattoir on the same day for comparable stock. All prices were nett of transport costs to Homebush State Abattoir.

21. Although the livestock auction system has many valuable features and cannot be dispensed with for obvious reasons it could be costly, unreliable and wasteful to the producer of quality lamb, mutton and beef. The Committee agrees that the more direct methods of selling prime stock should be developed to draw a greater percentage of prime stock out of the auction market; that a better system of market intelligence should be developed and that the auction sale system should be strictly policed if it is to serve its true role. Fat stock auction sales should not be developed away from the larger stock centres or located too close to each other as buyer costs will tend to be excessive in the small market.

### **SALE BY LIVE-WEIGHT**

1. Live-weight selling of cattle was developed at Homebush Saleyards in 1968, against a certain amount of opposition at its inception from the trade and a reluctance by producers to avail themselves of the weighing system in its early stages. The number sold by live-weight of the total yarding has ranged from 4 per cent in 1968 to 90 per cent in 1972. The percentage of cattle sold by live-weight fluctuates according to seasonal conditions. Producers tend to sell better quality cattle over the scales and it is uncommon for store stock to be sold this way. The situation could change with greater recourse to lot feeding when it may be advantageous to sell young store stock on a live-weight basis. The method of selling stock at Homebush State Saleyards is post-sale weighing, the cattle being bid for in one-tenth of a cent per pound and weighed at the conclusion of the sale.

2. Many country centres have installed livestock weighing scales and others are in the process of following suit. Some centres pre-weigh, some post-weigh and some specify a pre-weighing time to permit stock to empty out. The trade has accepted live-weight selling and many producers do not sell prime cattle any other way.

3. Sale by live-weight does provide an objective basis of assessing final carcass yield and quality, provided the beast is empty when weighed and the purchaser can estimate the percentage of dress-out and quality with a reasonable degree of accuracy; it should, at least, be more accurate than per head sales.

4. Some livestock agents and butchers consider the pre-sale weighing method better than post-sale weighing because a knowledge of precise weight prior to sale allows for a more accurate estimation of the percentage of dress-out and quality.

5. Live-weight cannot be satisfactorily applied to marketing sheep and lamb because of the variation in skin weight and the difficulty of assessing skin values.

6. The scales used in live-weight selling must be capable of indicating stock weight visibly to the owner who is issued with a certificate of weight automatically. Cattle should be allowed a specified time to empty out prior to weighing.

7. Although live-weight selling of cattle still leaves the need to estimate their yield and quality, a knowledge of the actual live-weight of a beast at least establishes a basis from which other estimates of yield and quality could be made. More effective competition is promoted between buyers of stock because of known actual live-weight, provided that fasting requirements are strictly policed prior to weighing which is not always the case at present.

8. Live-weight market quotations per lb are a more reliable guide to true value and give the producer a more effective price comparison. It also serves as a better guide for the comparison of quotations between markets. In the event of a substantial increase in lot-feeding, live-weight selling of store stock could be a far more satisfactory method of selling young store stock than per head sales.

### **Paddock Sales**

1. Paddock sales account for about 10 per cent of fat stock transactions. This method of selling is used for the sale of lambs, sheep, and cattle:

- (a) Where the seller has a better understanding of trade requirements and livestock values.
- (b) Where the buyer has some knowledge of the quality of stock he may purchase from a producer of integrity.
- (c) Where the agent of the producer, because of his own knowledge and integrity, promotes paddock sales to satisfy both clients and maintains their continued patronage.



2. Paddock sales may or may not save the producer commission payment. This depends largely on the ability of the producer to assess the market value of his stock and find prospective buyers.

3. The producer could give the purchaser sufficient time to take delivery of the purchased stock thereby enabling him to organize his killing quota at an abattoir to advantage and ensure that such livestock are delivered to the abattoir for slaughter in ideal condition. Benefits so obtained would, of course, reward both vendor and purchaser.

4. Transport costs are met by the purchaser who undoubtedly allows for this when making an offer to the vendor. However, the additional costs of transport, wastage, and saleyard dues usually incurred at auction saleyards are saved in a paddock sale giving the vendor financial gain in this regard.

5. In the submission by Mr R. N. Irish, Economist, Department of Agriculture, it was indicated that paddock sales prices studied by the Department showed an advantage in price over country auction markets which were less than the prices obtained at Homebush Saleyards.

6. The obvious disadvantages of paddock sales appear to be:

- (a) The risk to both parties that the treaty price may be at odds with auction price at or near the time that the sale takes place.
- (b) A producer without expert knowledge of the market runs the risk of making a sale at too low a price to a purchaser who is more expert in assessing market values.

As both the producer and buyer generally lack confidence in each other's assessment of values, paddock sales have limited application.

### **NEGOTIATED SALES OVER THE HOOKS**

1. This type of transaction usually takes place between a producer and butcher who rely on each other's integrity. When a butcher is assured of the consistent quality of carcasses obtained from livestock produced by certain growers he generally proceeds towards this type of purchase.

2. A price is agreed upon per pound dead weight if the carcass of each animal is up to certain specifications. The livestock are transported on a grower's account to a meatworks where a killing quota has been pre-arranged by the intending purchaser. If carcasses do not come up to specification or a dispute as to quality arises, carcasses may be inspected in the chiller by both parties for re-negotiation. Condemnation losses are borne by the producer.

3. Animals may either be slaughtered on a producer's account and the edible offal and skins sold on his behalf, or the operator may pay for all abattoir costs, retain the edible offal, and sell the skins on behalf of the grower. The price per pound paid for the carcass is adjusted according to the type of agreement. The overall price is usually determined on dressed weight values on the Homebush Market after deducting freight and delivery charges to the Homebush meat hall.

4. Where the operator owns his meatworks a price may be offered the producer on the basis that the operator does the slaughtering, keeps all by-products and sells the skins on behalf of the producer. The price offered is generally related to the current market value on estimated dressed weight. The producer pays for transport costs.

5. This type of transaction really needs the confidence of both buyer and seller to be effective. The producer must have expert knowledge of carcasses and market values, otherwise he has to rely on an agent.

6. The principal benefits of over the hooks sales may be summarized as follows:

- (a) Stocks are presented for slaughter in ideal conditions bringing savings to both parties.
- (b) The savings of yard dues, extra droving expenses and stock wastage. Agents' commission may or may not be saved. Savings in this instance would benefit the vendor.
- (c) The producer is paid for what he actually produces both in quality and quantity.

- (d) The producer acquires a more intimate knowledge of the quality of stock he produces which, in turn, enables him to improve his production and correct costly carcass deficiencies.
- (e) If a purchaser is satisfied with the reliability and quality of carcasses purchased, it follows that the producer may receive premium prices and have ready access to a reliable market.

7. The principal disadvantages of over the hooks sales may be summarized as follows:

- (a) No basis of standard carcass specification exists on which prices may be set and disputes settled.
- (b) Market intelligence is unreliable and does not help the producer who only sells occasionally to accurately fix an asking price. He relies on the buyer's offer. A mistake of 1 cent per pound may mean considerable loss to the producer.
- (c) The producer who sells direct to a meatworks has to rely on the absence of error on the part of the weigher employed by the purchaser.

8. Negotiated over the hooks selling is limited to about 5 per cent of sheep and lambs sold throughout the State. Cattle percentages sold by this method are higher than those of sheep and are rising substantially in the northern part of the State.

9. The real limiting factor in this type of marketing is the lack of confidence the producer has in his livestock, his distrust of the butcher and his lack of knowledge of market values. The Committee's inquiry revealed that no real expansion could be expected in this type of marketing unless a proper system of carcass classification and weighing is established on which market intelligence and forecasting could be based.

### **MARKETING DEAD-WEIGHT BY AUCTION**

1. This system of marketing is carried out in Perth Meat Market, Western Australia, and has not been developed in New South Wales. As carried out in Perth its operation is unwieldy and unhygienic. Agents and buyers are compelled to move amongst the carcasses and evaluate them on rail in a meat-hall. It is space consuming and costly. The Committee sees no future for the expansion of this type of marketing unless a sophisticated system of classification and grading is developed where auction sales take place by description of carcass. Even so the butcher may need to see the carcass. It might be possible to develop a special sale room to market meat in this way.

### **CONSIGNMENT SELLING**

1. Consignment Selling was developed at Homebush by the Metropolitan Meat Industry Board. It is referred to colloquially in the trade as "Homebush direct kill". The practice entails the consignment of stock to Homebush for slaughter on the producers' account where carcasses are transferred to the meat hall and sold on account of the producer by a wholesale butcher on a commission basis of 5 per cent. The consignee has to pay the research levy and meat inspection fee. The edible offal and skins are also sold on the owners' account; the carcasses being sold either in carcass form or broken down to suit the trade and command a better price. Stock may also be slaughtered in any service abattoir within the State and consigned on owners' account to the Homebush meat hall for sale on a commission basis.

2. It costs a producer less to consign livestock direct to Homebush for slaughter and sale, as loading out charges from a country abattoir and unloading charges into Homebush meat hall on country killed meat are additional to country killing charges. The transfer of carcasses killed at Homebush abattoir into the meat hall are included as a service for Homebush killed meat.

3. At the present time there is only one wholesaler selling in the Homebush meat hall on growers' account. He seems to be doing a conscientious job judging by records available to the Committee which are included in the minutes of evidence. However, to some degree, he is competing against himself. Evidence given by the Chairman of the Metropolitan Meat Industry Board, confirms the integrity of this operator.

Consignment sales at Homebush from September, 1970, to March, 1972, were approximately 2½ per cent of sheep and cattle put through its abattoir. There were 95 consignors of lamb, 26 consignors of sheep and 19 consignors of cattle during that period. The number of producers who continue to use this type of service indicate they are satisfied with consignment sales. Evidence given by a representative from the Department of Agriculture indicates a slight advantage to the producer in consignment selling.

4. The advantages of consignment selling have been demonstrated in practice and are:

- (a) The avoidance of auction yarding costs.
- (b) The avoidance of imperfections in competition and judgment at livestock auctions.
- (c) The sale of carcass by weight without the necessity of grading complications.
- (d) The clearing of the market.
- (e) Its simplicity of administration.
- (f) That payments are made to the producer for the quality of livestock produced; he being penalized for carcass faults.

5. Factors which may inhibit more producers from selling on their own account may be summarized as:

- (a) Producer ignorance through lack of publicity concerning consignment sales.
- (b) The absence of meat markets other than at Homebush.
- (c) Limited killing capacity at Homebush. The Metropolitan Meat Industry Board experiences difficulty in allocating killing quotas to individuals other than its regular clients, and wholesalers could in such circumstances limit consignment killing to a minimum level. One way to overcome this situation would be to organize killing at country centres and consign carcasses to Homebush.
- (d) The Wagga Wagga Agricultural College lamb selling experiment showed the value of this method but also mentioned the possibility of country killed carcasses being strike-bound at Homebush.

6. The disadvantages of consignment selling are:

- (a) The producer bears stock holding losses.
- (b) Losses caused by industrial trouble would have to be borne by the producer.
- (c) Extra costs will be incurred by holding over unsold carcasses.
- (d) Its limitation to centres where wholesale meat markets exist.
- (e) The dual role of the wholesaler-agent who has a 100 per cent interest in his own trading profit or loss and only 5 per cent in the return to his client.

7. Opposition to consignment selling may be expected from stock agents whose livelihood is at stake. If producers have entered into financial commitments with such stock agents they are unlikely to have an opportunity of disposing of their stock other than through their agents by auction sale. Likewise, wholesaler-agents whose business may be jeopardized could be expected to be reluctant to expand consignment selling on a commission basis.

8. If the practice of consignment selling is to gain significant proportions the conflicting interests of the wholesaler-agent will have to be resolved by admitting commission agents and co-operatives of producers to participate in consignment sales. Only then will consignment selling be actively promoted.

9. If consignment selling expanded significantly it could fragment carcass trading to an uneconomic degree with only a few agents attempting to handle hundreds of consignments of carcasses of varying size and quality. The situation could be overcome by setting minimum consignments and developing an industry body to handle small lots on a co-operative basis within a grading or classification system.

10. Consignment selling shows considerable promise in providing benefits to the producer if it is expanded under a co-ordinating body which will be responsible for the development of killing and consigning carcasses from country abattoirs to the Metropolitan meat hall.

## CO-OPERATIVE MARKETING

1. Co-operative marketing in the meat industry has not been blessed with success, either in Australia or abroad. One witness who appeared before the Committee, Mr K. D. Bowtell, Manager of Donga Meats Limited, Wodonga, had been previously employed in the Co-operative Farmers and Graziers' Association for five years, had studied marketing co-operatives in the United States of America and provided useful information in relation thereto.

Mr Bowtell stated that the failure of the Farmers and Graziers' Co-operative Association may be attributed to:

- (a) Partly, lack of good management.
- (b) Largely, lack of farmer support.
- (c) Farmer members of the Co-operative who used the Co-operative's price schedules as a bartering factor with other operators.
- (d) Dishonoured contracts when prices unexpectedly rose after an agreement was negotiated and stock had been subsequently sold to competitors.

2. Mr Bowtell's evidence revealed that out of 19 meat co-operatives established in the United States of America between the two major World Wars only two remained in existence in 1966.

3. A survey conducted by the United States Department of Agriculture, into the reasons why co-operatives in the meat industry had not succeeded, revealed that 95 per cent of the failure rate was caused by lack of farmer support, lack of good management and lack of financial resources.

4. The Producers' Direct Meat Co-operative in New South Wales which was sponsored by primary producer bodies suffered the same fate through lack of farmer support. Theoretically it should have been a success and may have been so if its shareholders had met their obligations and remained loyal to their own marketing co-operative.

5. Mr J. J. Cusack, who appeared as a witness on behalf of the Rural Action Movement, in endeavouring to justify a complete producer monopoly of the meat industry in New South Wales, intimated that competitors pushed prices up in order to put the Producers' Direct Meat Co-operative out of business. Homebush prices for 1966 and 1967 disclose that 1967 prices were higher than in the previous year for all meats except mutton. All available evidence points to the reasons for failure being lack of producer support and lack of finance.

6. There were nine meat co-operatives in New South Wales in 1968-69. However, two have since been eliminated due to business failure.

7. Some co-operatives have their own killing facilities while others use killing facilities in established service abattoirs. They conduct on-the-hook sales to private buyers and in fact carry out a variety of collective trading associated with the meat and livestock industries.

8. The Committee inspected two co-operative abattoirs, one established in Casino and the other in Grafton. These were both successful enterprises under highly efficient management.

9. The Northern Rivers Co-operative Meat Company Limited, Casino, was at one time a trading company but is now solely a servicing abattoir. Its manager informed the Committee that prejudice against country killed meat at Homebush was one of the reasons why the Co-operative's trading venture was unsuccessful. The business is now doing well as a service abattoir.

10. The Clarence River Co-operative Meat Society Limited is both a service abattoir and a general trading concern exporting principally to Japan and Greece. It also trades on the home market. The abattoir is well managed and is a profitable concern.

11. Where shareholders have supported co-operatives and remained loyal to their enterprise, co-operatives have succeeded in providing benefits to primary producers and a good return on investment.

## LIVESTOCK AGENTS AND FINANCE

1. Livestock agents operate in all types of marketing of livestock except consignment selling at Homebush. Their commission fees are 3½ per cent on sales in New South Wales excluding a limited area near the Victorian border and is the lowest in the Commonwealth except in Queensland, where the rate is 2½ per cent for private sales and 3½ per cent to 5 per cent for auction sales.

2. Evidence given by a witness on behalf of the Stock and Station Agents of New South Wales revealed that stock and station agents provide employment for some 4,000 employees in 380 towns throughout New South Wales. Their activities are controlled under the provisions of the Auctioneers and Agents Act, 1941-1967. Under the Act, employees hold 2,055 stock and station agents' licenses, 1,331 auctioneers' licenses, 295 trainee auctioneers' licenses, and 836 salesmen's certificates. Stock and station agents are estimated to have a direct capital investment in the rural industry by way of businesses and facilities to the order of \$100,000,000. In addition, their direct capital investments provide further finance to industry clients in excess of \$70,000,000.

3. The Committee obtained sworn evidence from livestock agents throughout various parts of the State. Some were operating on their own account while others operated on behalf of major wool firms.

4. Some agents were in favour of the auction market and could see no faults in the system while others freely admitted that there were buying rings and combines in the auction market. Some agents agreed that alternatives to the auction system should be developed to deal with prime stock and admitted that errors did occur in the assessment of livestock values at auction.

5. The livestock agent plays an important part in the livestock industry by:

- (a) Assisting the producer in livestock purchases and sales and by providing expert marketing knowledge.
- (b) Assisting in the selection of all classes of stock either purchased or sold by the producer.
- (c) Handling, selling and staffing at auction markets.
- (d) Undertaking delivery and arranging transport on growers' behalf.
- (e) Settling livestock transactions promptly and bearing the "del credere" risk.
- (f) Servicing the primary producer with his stock and station needs.
- (g) Providing credit by way of stock and wool liens.

6. It appears that the livestock agent would be difficult to eliminate as he is needed by the producer in whatever type of marketing is adopted in the livestock industry. This was borne out by producers themselves when giving evidence.

7. Agents are able to adapt themselves to any change in the marketing process. Their services may be even more necessary to the producer in any substantial change to over the hook sales. This of course will entirely depend on the degree to which the producer is prepared to arrange his business.

8. Finance provided by agents to their clients is beneficial in many ways but it ties a client to his agent which in some instances not only limits a choice of agents and markets but also restricts the producer from accepting more direct selling methods.

9. At present a very high proportion of producers are indebted to stock and station agents and the wool firms. The banking system encourages producers to seek accommodation for carry-on moneys by way of liens with agents and wool firms. Banks prefer to finance wool firms which also act as livestock agents as these firms or agencies have a more intimate knowledge of the producers' credit risk and business ability. Evidence has indicated that interest charged by the agent only just covers his service to the borrower; the agent's real income being derived from commission earned on sales. It was mentioned by some witnesses that a producer's indebtedness to an agent placed him at a disadvantage.

## PUBLIC AUCTION SALEYARDS

1. The Committee did not make any specific inspection of country saleyards as a majority of its members are familiar with country sales and saleyards. Priority was in every instance given to the taking of evidence and consulting with experienced persons associated with the livestock and meat industry in centres that were visited. However, an inspection was made of Homebush Public Saleyards during which time cattle sales were conducted on a live-weight and per head basis by auction.

2. Fat stock auctions are held in most country centres in saleyards provided by Shire and Municipal Councils. A few sales are also held in private yards usually owned by agents.

3. Local Government has an investment of some \$20,000,000 in saleyards and facilities throughout the country centres of New South Wales.

4. Under the Local Government Act, 1919. Councils have power to establish and maintain auction saleyards. They are also empowered to determine charges on livestock sold in the yards, impose fees for the use of facilities provided and levy a charge on agents using the yards. A Council could protect its assets from within its own areas and, if deemed necessary, through Parliament, in areas outside its own boundaries. Councils are required to apply surplus profits from revenue not required for the maintenance and development of saleyards to reducing the cost thereof to its users.

5. The general charge by way of yard dues ranges from 20 cents to 30 cents for cattle, 3 cents to 5 cents for sheep and 10 cents to 15 cents for pigs. Some Councils charge agents' fees and some make no charge at all. Most saleyards in provincial centres are paved and provide adequate facilities. However, this is not the case in the smaller centres as the smaller number of livestock offered for sale does not make the provision of these facilities economical.

6. There are many saleyards not ideally situated to provide the best possible market for fat stock because of the small numbers of stock offered, the distance of the saleyards from established centres of population and the presence of markets located too close to one another. These factors all add to buying costs which are plied against the producer. Buyers usually by-pass these centres consequently reducing competition and sale price.

7. It is essential that all fat stock saleyards be paved in order to reduce the incidence of dirty stock at meatworks. Many small centres could find it difficult to comply with this requirement and may eventually disappear.

8. There seems to be a laxity in many country centres to ensure that auction marketing is properly conducted and the Committee believes the problem could be remedied by auction markets being placed under one industry authority.

## MARKET REPORTING AND INTELLIGENCE

1. Market reporting throughout New South Wales is not standardized and is considered inadequate by most witnesses examined by the Committee from all sectors of the livestock and meat industry. It confuses any primary producer interested in market prices when he contemplates selling his livestock.

2. Homebush Market is reported by officers of the Division of Marketing, Department of Agriculture, Sydney. The market report is an unbiased one based on estimated dressed weight. Officers of the Department are able to follow livestock through Homebush Abattoir and compare their assessment with actual carcass weight.

3. Country markets on the other hand are reported by agents and others in the trade who have a vested interest in the market. Consequently, country reports can be at variance with Homebush prices. The Committee considers the evidence given by Mr J. I. F. Maple-Brown as typical not only of Goulburn but of all other country markets. In his evidence Mr Maple-Brown stated, inter alia:

"I cannot say that I am impressed with the accuracy of our market reports. When I was following the cattle marketing reports I found there was a tendency for them to follow the market, in other words, the estimates of weight the butchers and market report people gave made the calculation come out where they wanted it."

4. All livestock markets, excepting market sales by live-weight, are completely subjective and rely on the judgment of a variety of people which must give rise to unjustifiable variations in value.

5. The existing system of reporting livestock sales in New South Wales creates misinterpretation and difficulty in reading livestock values. Quotations such as prime, heavy, light, medium, plain, good to prime heavy, quoted dollars and cents per 100 lb or per lb estimated dressed weight, makes it difficult for the producer to accurately place a price on stock he intends to sell.

6. There is need to develop a more objective approach to livestock auction reporting in conjunction with a carcass market report based on sales by weight and classification and to feed this information through a central intelligence system. Any authority which may be established to deal with industry problems would be well advised to study market intelligence systems adopted in other countries.

7. The Committee considers there is necessity for an expert committee to make a thorough study of market intelligence systems in other countries in order to develop the best system suitable for New South Wales. Without proper market intelligence it is impracticable to adopt a schedule of prices on which sales could be based.

### **SLAUGHTERING INDUSTRY**

1. The slaughter of livestock for the production of meat for human consumption in New South Wales is carried out in abattoirs and slaughter houses, both private and public, operating under various licenses. Some trade on their own account, others combine trading and servicing other operators, while a number of abattoirs operate wholly as service works.

2. The 32 abattoirs in New South Wales licensed under the New South Wales Meat Industry Authority Act, are also licensed by the Metropolitan Meat Industry Board under section 21A of the Meat Industry Act, 1915, to supply meat to the Sydney Metropolitan area. Any abattoir licensed by the New South Wales Meat Industry Authority usually qualifies for a section 21A license.

3. Of the 32 abattoirs licensed by the Meat Industry Authority, 28 are registered by the Commonwealth Department of Primary Industry for export purposes.

4. Of the 28 abattoirs registered for export by the Department of Primary Industry, 24 are listed by the United States Department of Agriculture to export meat to the United States of America and Canada. This figure is subject to variation because abattoirs are liable to be abruptly de-listed unless and until they comply with requirements laid down by the United States Department of Agriculture.

5. There are 195 slaughter houses licensed by the Meat Industry Authority of New South Wales under the Meat Industry Authority Act, 1970, which supply meat to all areas within the State other than central killing areas, abattoir areas administered by Local Government bodies, and the Sydney Metropolitan area.

### **LICENSING OF ABATTOIRS AND SLAUGHTER HOUSES**

1. All abattoirs in New South Wales licensed under the New South Wales Meat Industry Authority Act can supply meat to any area of the State subject to re-inspection in certain areas serviced by government and some local government and county council works. An exception is one private abattoir where the service is provided by the local government body. Meat inspection at abattoirs is carried out by the New South Wales Meat Inspection Service in the Division of Animal Industry, Department of Agriculture.

2. Abattoirs registered by the Department of Primary Industry for export other than North America are staffed by Department of Primary Industry meat inspectors and/or New South Wales meat inspectors. Abattoirs listed by the United States Department of Agriculture are required to be approved abattoirs by the Department of Primary Industry and are also subject to inspection and approval by veterinarians from the United States Department of Agriculture. Standards of hygiene at United States Department of Agriculture listed plants must comply with American requirements even though certain meats processed therein may be destined for local consumption or other destinations. Condemned material must be sent to a secured area and

converted into by-products. The American authorities require that meat approved for export to the United States of America shall be kept separate from meat destined for other markets and must be readily identifiable at all times. Evidence placed before the Committee from all sections of the trade indicates that the overlapping requirements of the various licensing and approving authorities cause economic problems and confusion in the industry and that the confusion can be eliminated by having a single licensing authority.

3. A single licensing authority could be brought about by implementation of the requirements laid down in the Meat Industry Authority Act, 1970, which requires, inter alia, the development of the adoption of a policy of abattoir standards and procedures in this State which are at least as good as or superior to those laid down by the United States Authorities. Countries other than the United States of America to which Australia could export meat in the future may require similar or even higher standards in abattoirs. Lack of established policy has proved costly to the industry as abattoirs continually require upgrading and expensive renovations which would not have been necessary in many instances had they been constructed to the highest possible standards in the first place.

### **DISADVANTAGES OF THE PRESENT LICENSING SYSTEM**

1. Livestock slaughtered at abattoirs are confined to the market for which each abattoir is licensed, registered or listed. The operator who exports to the United States of America or to Canada must, therefore, have his stock slaughtered at a United States Department of Agriculture listed abattoir. Evidence provided by exporters, abattoir managers and industry bodies indicated a lack of communication between the United States Department of Agriculture, the Commonwealth Department of Primary Industry and the New South Wales slaughtering industry, frequently resulting in abattoirs being de-listed at short notice by defects which could have been overcome by the works management had it been aware of standards defined and agreed to by all the authorities concerned.

2. There does not appear to be any established policy in plant procedure and hygiene agreed to by the organizations involved and this state of affairs does not permit of a rationalization of the New South Wales slaughtering industry so far as export to North America is concerned. Furthermore, it is costly to the operator who consigns stock to a listed abattoir for the supply of meat to the United States of America to find that the abattoir was subsequently de-listed. Lack of an established policy is proving costly to the whole industry and is reflected in producer returns and consumer costs.

3. Carcasses washed under high pressure, as required by the United States Department of Agriculture, appeared to cause some problems so far as meat holding qualities were concerned, particularly lamb. These difficulties undoubtedly encourage some operators to by-pass United States Department of Agriculture listed works. The merits of high pressure washing should be thoroughly reviewed and re-assessed by the State Body responsible for administration of the meat industry in New South Wales. It is imperative that all abattoirs should be of a standard equal to or better than those defined by the United States Department of Agriculture. It may be costly in the short term to bring all abattoirs up to required standards but it certainly will save substantial costs in the co-ordination of livestock slaughter and in the handling of meat and by-products.

4. Evidence obtained by the Committee emphasizes the need for rationalization in the present system of licensing and inspection procedures because:

- (a) Of an inconsistency between the interpretation of the requirements of the United States Department of Agriculture, the Commonwealth Department of Primary Industry, State and Local Government Authorities and abattoir management.
- (b) An abattoir when de-listed is often uncertain of the precise reason for being de-listed.
- (c) The application at plant level of the requirements of the United States Department of Agriculture and the Commonwealth Department of Primary Industry are often changed without warning or consultation with representatives of abattoir management.

The slaughtering industry's efforts to comply with the seemingly inconsistent demands of both the United States Department of Agriculture and the Commonwealth Department of Primary Industry have proved costly to the meat industry in this State and in turn has had an impact on primary producers' returns and consumer costs.



5. Increased costs have taken the form of:

- (a) A slow down in slaughter throughput leading to losses of revenue and under-utilization of abattoir capacity.
- (b) Inability to fill export contracts on the more lucrative overseas markets thereby severely affecting the profitability of many exporters.
- (c) Contributing to increases in abattoir charges which are eventually reflected in lower prices paid for livestock.

6. New South Wales as a Sovereign State should negotiate direct with the Commonwealth Department of Primary Industry, the United States Department of Agriculture and meat importing countries for the establishment of standards and procedures in the abattoir system to facilitate the entry of meat into any market. As New South Wales has not developed a single administrative authority to determine policy it lacks a basis from which it can negotiate with the Commonwealth or the countries to which it exports.

7. The administration of the meat industry in this State is fragmented between the New South Wales Department of Agriculture, the Meat Industry Authority, the Metropolitan Meat Industry Board, Local Government Organizations and the Department of Public Health. These divisions of authority, in the opinion of the Committee, deprive the industry in New South Wales of direction in its own affairs and invites greater Commonwealth and foreign participation at abattoir level.

### PRIVATELY OWNED ABATTOIRS

1. There are 16 privately owned abattoirs in New South Wales. All except one of them, viz.: Riverstone Meat Company Proprietary Limited in the Metropolitan area, are located throughout country areas of New South Wales. These abattoirs not only engage in local trade but also supply the Metropolitan market and export to several overseas countries. Private abattoirs such as Conkey & Sons Limited, Cootamundra, which the Committee inspected, play an important part in developing special export markets. The Company closely studies the needs of overseas customers and specially packages meat to suit their requirements. This type of exporter depends a great deal on the established reputation of the brand name of his product, and his ability to supply overseas markets from his own abattoir with meat produced under the strictest supervision. Your Committee witnessed the preparation of mutton fillets for Bahrain as well as many other orders in special packages prepared at abattoirs similar to Conkey and Sons Limited. Abattoirs which engaged in this type of trading appeared to be most efficiently managed and operated at all levels. Private abattoirs in some instances operate as service works and engage in overseas trading ventures. In other instances they slaughter, wholesale, and retail their products in a vertically integrated fashion as is carried out by A. J. Bush & Sons. Of the (16) private abattoirs licensed by the New South Wales Meat Industry Authority all hold a Section 21A License, all but (4) have an export registration license under the Commonwealth (Meat) Export Regulations and (5) were not listed by the United States Department of Agriculture for the export of meat to the United States of America at the time of writing this report.

2. Available evidence does not indicate that excessive profits are made by private abattoir operators; in recent years more operators have retired from the industry than have entered it. The share market does not reflect buoyant speculation in the meat industry.

### CO-OPERATIVE ABATTOIRS

1. There are four co-operative abattoirs in New South Wales, all of which are licensed by the New South Wales Meat Industry Authority and hold section 21A licenses. They are also registered by the Department of Primary Industry to export meat under the Commonwealth Meat Export Regulations. At present all of them are listed with the United States Department of Agriculture to export meat to North America.

2. The Committee inspected the Northern Co-operative Meat Company Limited, Casino, which is solely a service abattoir processing livestock for operators supplying the local and export meat trade. Its shareholders are supplied processing facilities to a limited degree. This abattoir was one of the most modern works inspected. It efficiently provides slaughtering facilities under hygienic conditions for the country population of New South Wales.

## SLAUGHTER HOUSES

1. Complying with the Committee's request, the New South Wales Meat Industry Authority furnished information relating to a survey of slaughter houses carried out by its inspectors in the State. A great majority of these slaughter houses are sub-standard, and pose a threat to public health because of the unhygienic conditions under which the stock are slaughtered therein. Because of a total lack of meat inspection in many of these slaughter houses, contaminated and diseased carcasses as well as diseased edible offal produced from these slaughter houses have been found in butchers' shops.

2. Unless a slaughter house can comply with standards of hygiene suitable for the slaughter of meat for human consumption, it should be closed. All meat slaughtered at a slaughter house should be inspected to meet defined requirements by an inspector appointed by the Minister for Agriculture.

## CENTRAL KILLING AREAS

1. The Committee believes that the development of central killing areas is essential in any scheme to improve the meat industry, particularly if weight and classification is to be introduced. It must be taken into account that diseased and contaminated meat sold on the local market poses a threat to the Australian export trade as importers could reasonably claim that there is a danger of such meat finding its way into export packs; there are areas in this State that pose problems in this regard. Under such circumstances it may be necessary for any industry authority to develop special meat plants to meet community needs in isolated areas, and if the cost of providing an adequate service is excessive then financial assistance should be provided from the public purse.

## ABATTOIR MANAGEMENT AND EFFICIENCY

1. Inspection by the Committee of abattoirs operating under various categories of ownership and administration, supported by evidence received during the inquiry, disclose that there is variation in the efficiency of the different systems. In private and in co-operative abattoirs a works manager is answerable to an owner or a board of directors who are themselves either financially committed or answerable to shareholders. Generally, the works manager receives directions from boards or individuals who possess a wide knowledge of and a financial involvement in the meat industry and are able to positively assess and direct abattoir operation. Boards of directors and shareholders in co-operative abattoirs likewise strive to ensure a return on capital, either by servicing other operators or competing on the local and export market with their own product. Both types of abattoir management constantly confer with and advise their works managers of meat industry developments and of requirements at home and overseas. Expert direction and guidance from higher authority enables a works manager to effectively deal with the real problems of plant management and meat production.

2. Municipal and County Council Abattoir management is subject to control by their relevant Councils. In the case of Municipal Councils, control is exercised by an elected body with most aldermen having a little or no knowledge of the meat industry and without personal financial interest in the abattoir under its control. It is not responsible to shareholders expecting a financial return from the undertaking, but to a majority of electors who generally display little interest in the affairs of the meat industry.

3. Except for Newcastle City Abattoir no Local Government Abattoir has involved itself in trading other than engage in the sale of by-products and Councils have displayed little interest in the products of their abattoirs particularly when live-stock are in over-supply for slaughter. In this type of situation a Council Abattoir Manager tends to play the role of adviser to the Council concerned instead of the Council acting as an expert authority directing the undertaking through its manager. Where a Council accepts its role as the directive body, managers are at times subject to frustration by inexpert advice gratuitously given.

4. It was noticeable that where these conditions existed efficiency tended to break down. The Committee observed that the effects of efficiency break-down were more in evidence at Local Government Abattoirs than at other abattoirs inspected. Inquiries have substantiated observations in this regard. The principal complaints of inefficiency resulting in losses to operators which were passed on to producers by way of lower prices for livestock were:

- (a) Higher charges for slaughtering.
- (b) Badly dressed carcasses.
- (c) Lower skin and hide values because of damage thereto by careless butchering.
- (d) Pilfering and the mutilation of carcasses.

These matters have particularly come under notice since the Committee completed taking public evidence and highlights the need to overcome the problems associated with the management of some Local Government Abattoirs.

### **CAPACITY OF ABATTOIRS IN NEW SOUTH WALES**

1. Evidence submitted by Mr T. B. Bullock, Executive Officer of the New South Wales Meat Industry Authority, indicated that most major abattoirs in the State were working at capacity. However, this may not reflect a true picture of the situation as the number of stock slaughtered in the past eighteen months, especially sheep, have been exceptional. Several major abattoirs revealed that they were under-capacity principally because of the shortage of skilled labour and absenteeism in the work force. Some complained of hold-ups because of the United States Department of Agriculture and of the Department of Primary Industry requirements. A survey by the Committee of 18 abattoirs throughout the State indicated that in 1971, most abattoirs were working at full capacity with available labour and that slaughtering figures were in excess of previous years. The Committee had no evidence of abattoir delays because of the shortage of stock available for slaughter. In fact, there were indications of delays in getting stock slaughtered and processed, particularly sheep.

### **DESIGN OF ABATTOIRS**

1. All abattoirs inspected had major variations in design and layout which had varying effects on quality control and inspection procedures. It was apparent to the Committee that costly alterations to plant could have been avoided if thorough consideration had been given to the establishment of uniform inspection procedures and hygiene by an Authority prior to construction of the abattoirs so that plant and equipment were satisfactorily constructed therein to meet specified requirements. It appeared as though the plants were constructed to fit the buildings, rather than vice versa. The Committee is of the opinion that an Authority should specify standardized abattoir design requirements. Urgent consideration should also be given to carrying out extensive research into plant development so as to produce the greatest efficiency in slaughtering and processing stock under conditions that will allow for the highest standards of hygiene and inspection. Consideration should also be given to the provision of adequately covered and slatted sheep yards at abattoirs to ensure sufficient numbers of clean dry sheep so that continuous slaughter is maintained. The Committee was favourably impressed by the flexibility of operation of some abattoirs where large stock holding paddock reserves and properties were available. This feature permits a desirable flexibility in killing to meet supply and demand, and to spread the effects of peaks and troughs of livestock available for slaughter.

### **CHILLER AND FREEZER CAPACITY**

1. Evidence indicated a shortage of chiller space at most abattoirs and inspections made by the Committee supported this claim. Mr D. F. Manwaring, Manager of Cootamundra Transports Proprietary Limited, stated in evidence, "Chillers always seem to be completely full and we have to make room for the day's kill. On Fridays we load early; we load early to make room for the kill."

2. Efficient boning rooms are an important factor at most abattoirs in reducing chiller overloading. Chiller space seemed to range from one or two days storage capacity at most abattoirs although a few possessed larger capacity. Most abattoirs could not increase throughput unless more chiller space became available. Abattoirs rely on moving carcass meat out to the Metropolitan market as quickly as possible to make room for the kill behind. It is evident that to facilitate a proper system of carcass classification more chiller space may be required. Homebush Abattoir has ample chiller space to meet requirements in the foreseeable future.

3. Freezer capacity in abattoirs throughout New South Wales seems to be adequate to meet the needs of the meat industry at the present time. However, if the trend towards the use of portion packs and Cryovac Packing gains momentum at abattoirs, more freezer capacity will eventually be required.

### ABATTOIR CHARGES AND PROFITABILITY

1. It was almost impossible to make a comparative analysis of abattoir charges as they are not standardized throughout New South Wales. For example, one abattoir may charge a fee for slaughtering and this fee includes skin drying and loading out. Another abattoir may charge a fee for slaughtering which includes the packing of offal for local delivery and loading out, levied according to hourly rates for labour and materials used. If any comparison could be gleaned by using Homebush Abattoir as a yardstick, then local government charges in many abattoirs appeared excessive. Charges levied by two Private Abattoirs and one Co-operative Abattoir which engaged in trading and servicing compared favourably with Homebush Abattoir. Homebush Abattoir charges which were recently revised are incorporated in the minutes of evidence. Homebush Abattoir charges also include transfer to and use of the meat hall, a cost which must be added to any carcass which is killed elsewhere and consigned to the country meat hall at Homebush. While abattoirs have an undisputed right to determine what charges shall be made for services given *it cannot be too strongly emphasized* that there should be a standard method of describing the charges made.

2. It was stated to the Committee that Local Government Service Abattoirs did not amass great profits which proved that increased charges were justified. It might also be held that some increase in charges could be attributed to inefficiency of operation as well as a frequent need to channel large sums of money into re-development. Two abattoirs in New South Wales that had been purchased at substantially written-down figures and re-developed by the purchasers seemed to be the most profitable undertakings the Committee inspected. It was difficult to assess the profitability of private abattoirs as the efficiency of operation was hidden by their trading ventures. If an Industry Authority is to be established it should initiate a thorough study of abattoir efficiency.

### PUBLIC ABATTOIR TRADING

1. It could be reasonably assumed that there are distinct advantages to be had if a service abattoir, private or public, trades on its own account particularly when livestock are cheap. Management could minimize plant stand-down costs if it processed stock on its own behalf when livestock was not readily available for slaughter from regular clients. Trading could prevent the lack of continuity of employment for skilled employees and enable a plant to train and retain the services of its trained employees. An abattoir processing its own commodity and maintaining steady throughput, could pay higher prices for livestock than competing operators killing at that abattoir because of cost factors such as interest on capital and permanent staff wages and salaries, which increase the cost of unit production as throughput falls. If the public abattoir sector uses its option to trade it could certainly provide a carcass weight and classification system to the advantage of the producer. At present Homebush State Abattoir does not have the authority to trade. The Chairman of the Metropolitan Meat Industry Board, Mr P. S. Hill, recommended to the Committee that Homebush Abattoir be given the right to trade. The Committee believes that all Government and Local Government Abattoirs should be placed under the jurisdiction of an Industry Authority and given the right to trade on the local and export market.

### RATIONALIZATION OF SLAUGHTERING

1. The Committee requested seventeen abattoirs in New South Wales to provide information on the areas from which each abattoir obtained its livestock for slaughter. The returns indicated that most abattoirs drew stock from wide areas of New South Wales and interstate, depending on the locality of the abattoir in relation to lines of transport communication. Two interesting examples are Blayney Abattoir, which at times draws lamb from Victoria and South Australia to maintain supplies of the right type of lamb to Sydney. At times it has been necessary for operators at Blayney to draw mutton sheep from Queensland to fill overseas contracts. Berrima Meats Limited, Moss Vale, which services and trades as an abattoir also draws lamb, mutton and beef, from wide areas of the State in order to meet its trade requirements. It is necessary for an operator who contracts to meet a wide range of special requirements for export to organize purchasing livestock from wherever it is available to meet his requirements.

2. Evidence supplied by Mr D. I. McLean, County Clerk, Blayney Abattoir, indicated that it was cheaper to transport stock to one centre of operation rather than endeavour to supervise casual slaughtering at abattoirs separated by distance. As the most efficient and successful operators tend to specialize, whether they conduct an abattoir or rely on service works, it is necessary for them to strictly supervise operations. Livestock required for specialized operations need to be drawn from a wide area because seasonal conditions controlling production vary greatly in areas of supply throughout the State. It is vital that abattoirs be located in areas where a reasonably large proportion of the base kill can be drawn viz.: sheep, cattle and pigs and that they be located conveniently to State-wide road and rail connections. The Committee believes that the most important factor to be considered in rationalizing slaughtering and maintaining maximum throughput at abattoirs is the location of the abattoirs themselves rather than attempt to regulate the movement of livestock.

### SLAUGHTERING AND DRESSING PROCEDURES

1. The Committee inspected nine abattoirs in New South Wales, two in Victoria and one in Queensland. In each case the Committee closely examined slaughtering and dressing procedures. It was observed that there was a wide variation in dressing procedures at each abattoir. It was obvious that where consideration had been given to good design facilitating modern inspection and hygiene standards, the slaughtering operation and necessary meat inspection involving classification and/or grading was a more simplified operation than in those abattoirs where consideration had not been given to these essential factors.

2. It was also observed by the Committee that each abattoir adopted its own special approach to dressing methods in order to improve the quality and hygiene of meat. A number of dressing procedures have been laid down by the Department of Primary Industry which appear to have evolved from the rejection of meat consigned for export rather than a careful study of dressing methods to produce the highest standards of hygiene in meat.

3. The Committee is convinced that slaughtering and dressing techniques should be specially developed to meet the highest standards of hygiene and efficiency, and that abattoirs should be designed to facilitate these requirements. Any Meat Industry Authority established should co-ordinate and formulate policy guidelines on these two aspects. Assistance should also be sought from bodies capable of carrying out the necessary research.

### MEAT INSPECTION

1. Meat inspection in New South Wales abattoirs licensed under the Meat Industry Authority Act, 1970, is carried out by the Meat Inspection Service of the New South Wales Department of Agriculture. Inspection fees are prescribed by Regulation under the Meat Industry Act, 1915, viz: cattle 46 cents, pigs 5 cents, and sheep 3.85 cents. The cost of meat inspection in the State in 1970-71 was \$1,606,975 of which \$1,300,647 was recouped by inspection fees. Meat entering New South Wales for consumption in the Metropolitan Area and other prescribed areas must be passed fit for human consumption by a meat inspector appointed by the New South Wales Minister for Agriculture. Under the provisions of section 41 (1) of the Meat Industry Authority Act, the meat should be stamped accordingly and accompanied by the prescribed certificate. However, Section 41 (2) of the Act permits any carcass or part of a carcass to enter New South Wales provided it is for export beyond the Commonwealth and has been moved in accordance with the Commonwealth Exports (Meat) Regulations or law of the Commonwealth replacing those regulations.

2. Apart from ensuring that the meat is fit for human consumption the New South Wales Meat Inspection Service is responsible for the detection and trace-back of animal diseases to the source of origin. This is a most valuable service to the livestock producer and, because of the competency of the New South Wales Meat Inspection Service and its departmental veterinary officers, enables early detection and trace-back of exotic diseases. The disease detection service is also essential for the eradication of endemic diseases such as Tuberculosis and Brucellosis. The New South Wales Meat Inspection Service is also responsible to the Metropolitan Meat Industry Board for classifying and branding lamb to be sold in the Metropolitan area. Lamb may be sent into the Metropolitan area as strip-branded lamb from another State if passed by an inspector approved by the New South Wales Minister for Agriculture. As at 30th June, 1971, there were 231 Meat Inspectors and 24 Brand Boys in the New South Wales Meat Inspection Service supervised by qualified veterinary officers. There is little doubt that these numbers will be increased as additional areas of the State are proclaimed to be central killing areas under the provisions of the Meat Industry Authority Act.

3. Commonwealth meat inspection is carried out by inspectors appointed by the Department of Primary Industry under the Commonwealth Export (Meat) Regulations. All meat exported overseas has to be inspected, passed and stamped "Australia Approved" by Commonwealth meat inspectors. Each carcass also bears the number

of the abattoir wherein it was processed. Abattoirs registered by the Department of Primary Industry are staffed by Commonwealth meat inspectors. Commonwealth inspectors inspect carcasses in accordance with standards laid down in the Manual of Instructions on Meat Handling and Meat Inspection published by the Department of Primary Industry in 1970. Carcasses inspected by Commonwealth meat inspectors, when passed, all bear the stamp "Australia Approved" whether destined for local consumption or the export market. They have the final say as to whether or not meat shall be condemned at all abattoirs where meat is processed for the United States of America or the Canadian market. All meat is subject to compliance with the requirements of hygiene laid down by the United States Department of Agriculture and these requirements are supervised jointly by United States Departments of Agriculture veterinarians and Department of Primary Industry veterinarians. Meat produced at abattoirs listed by the United States Department of Agriculture has to comply with American standards whether required for local or other destinations. Commonwealth meat inspection is carried out free of charge but does not provide any information on animal diseases. Commonwealth inspectors are also responsible for the classification and grading of lamb carcasses for the export market.

4. Areas in New South Wales which have not been proclaimed as central killing areas under the Meat Industry Authority Act are subject to local control. Inspection is carried out by Local Government Authorities, usually Council health inspectors. A survey carried out by inspectors of the Meat Industry Authority indicated that meat inspection is inadequate and is in many cases non-existent resulting in unhygienic and infected meat being sold to the public. Written submissions received by the Committee referred to unnecessary carcass mutilation by meat inspectors. These complaints could not be individually investigated but there is little doubt that this does take place when an inspector is either over-zealous in his duties or does not interpret his instructions correctly. Only one witness was prepared to substantiate instances of corruption which inspectors would have to be a party to; for example, wilfully applying the lamb brand to mutton carcasses. There was, on the other hand, evidence of carcasses receiving the wrong brand through carelessness by brand boys. Complaints were made to the Committee of practices which are detrimental to meat quality such as the removal of pizzle butts in wether lambs at the abattoir. This procedure affects the keeping quality and appearance of processed legs from wether lambs, but is detrimental in no way to human health. If it is necessary to remove pizzle butts in compliance with the United States Department of Agriculture requirements, it should be carried out after rigor mortis is completed.

5. In a number of submissions complaints were made of overlapping in the dual inspection system by the Commonwealth and State authorities and the resultant cost to industry. These complaints could not be substantiated. The Committee's abattoir inspections revealed that if either authority withdraws its services, its entire complement of inspectors would have to be replaced by the other authority to carry out all the functions of meat inspection. There has been a genuine endeavour by both Commonwealth and New South Wales State Authorities to co-ordinate meat inspection duties and share responsibility by positioning each of its inspectors at the dressing chain in relation to their particular duties according to standards laid down by the Department of Primary Industry, contained in the Manual of Meat Inspection Procedures. New South Wales inspectors are authorized to act in relation to disease inspection on the chain and the Department of Primary Industry inspectors in relation to hygiene. A number of submissions referred to disagreement at plant level between State and Commonwealth inspectors due to misinterpretation of their duties defined in their respective departmental instructions. There is no doubt that these disputes hold up production owing to stoppages and the slowing down of the production chain. There is also the added cost of providing separate washroom and other amenities for State and Commonwealth inspectors. The many claims made by sections of the industry that the cost of dual inspection is excessive is, in the Committee's opinion, justified not because of the overlapping of inspection duties but on account of overlapping authority and administration at abattoir and departmental level.

6. In reviewing all aspects of the problem of dual inspection the Committee is of the opinion that vital factors for consideration are that:

- (a) The livestock industry in New South Wales cannot afford to lose the valuable services of the State Department of Agriculture in the animal health chain, provided through its meat inspection service feeding information on livestock diseases to Veterinary Research Stations at Glenfield and elsewhere and to veterinary officers and field staff of the Department.
- (b) There are many slaughtering establishments in New South Wales that are not registered for export because they have no desire to supply other than the local market. In this case even if the Commonwealth did take over, the State would still have to maintain a meat inspection service.
- (c) The Commonwealth Government does not have statutory or constitutional powers to carry out either (a) or (b); its responsibility lies in the reception or rejection of carcasses for the export trade.

7. In the interests of the industry it is desirable that the Division of Animal Industry of the New South Wales Department of Agriculture should carry out all meat inspection at abattoirs in this State and act as agent for the Commonwealth where inspection of meat for export is involved, under Commonwealth direction and in accordance with Commonwealth standards. The delegation of authority of this kind is not without precedence as New South Wales already acts as agent for the Commonwealth in animal and plant quarantine. It is significant to note that in the United States of America, the Federal Administration agreed to permit State meat inspection authorities to carry out Federal meat inspection duties provided that inspection standards were at least level with Federal standards. The cost of meat inspection in New South Wales should be a public responsibility as, apart from veterinary information, meat inspection is carried out solely in the interests of public health. There is no doubt that meat inspection charges are reflected back to the producer.

### RE-INSPECTION OF MEAT

1. The Committee received a number of submissions complaining of the cost of re-inspection of meat entering areas where Local Government Ordinances lay down procedures for re-inspection of meat entering an abattoir area. The Committee believes that meat processed at an abattoir approved by the New South Wales Minister for Agriculture and already inspected by an inspector appointed or approved by the Minister, bearing the prescribed stamp and certificates under the Meat Industry Authority Act, 1970, should be free to enter any area of the State provided the vehicle transporting it is approved for this purpose and reaches its destination properly secured. It is understood that the Meat Industry Authority is endeavouring to prescribe these requirements.

### GRADING AND/OR CLASSIFICATION SYSTEMS

1. The Committee made extensive inquiries into grading and/or classification procedures carried out in this State. Meat is usually graded or classified in the manner described hereunder:

- (a) Lamb classification by dentition, carried out by meat inspectors of the New South Wales Department of Agriculture. The carcass is strip roller branded in red vegetable dye if it is a sheep in which the first pair of permanent incisor teeth have not erupted.
- (b) Lamb classification and grading for export is carried out by Department of Primary Industry inspectors using the criteria of dentition, carcass weight and conformation.
- (c) Beef carcasses graded or classified by individual operators to meet various export specifications and passed by Department of Primary Industry inspectors.
- (d) Lamb, mutton, beef and pork carcasses graded by an employee of the operator according to age, weight and conformation, to meet the requirements of the local market. Usually these carcasses are ticketed.

2. The Committee viewed lamb carcasses being graded and ticketed at Riverstone Meat Company where a company grader separated grades according to weight, conformation and fat cover. The operation was efficient without any delay to production. From information received by the Committee it appears that this is the usual system of grading used at private abattoirs. The Committee also viewed the system of grading and classification of beef carcasses at Cannon Hill State Abattoir, Brisbane, by the Queensland Department of Primary Industry inspectors. In this abattoir beef carcasses were classified by age and sex, according to carcass characteristics and not dentition. They were graded according to carcass conformation and fat cover, and then strip roller branded according to specified grades.

3. The existing system of lamb classification, while serving the purpose of indicating to the public that sheep carcasses bearing the red lamb brand are lamb and not mutton, could convey a wrong impression to the consumer that all lamb branded meat is quality meat. A lot of quality hogget is superior to inferior lamb meat that legally qualifies to be branded as lamb. The existing qualification that a sheep showing no permanent incisor teeth shall be certified as lamb is, ipso facto, no guarantee of whether or not it is true lamb as a sheep may erupt its first two permanent incisor teeth between the ages of 10 and 15 months in certain circumstances, contingent upon the type of pasture on which it has been grazed.

4. Evidence strongly points to the fact that the consumer is too reliant on the butcher's integrity when purchasing meat. While a majority of butchers may be relied upon to trade honestly, there are some who substitute low grade cuts for quality. Because of changing purchasing habits and the average consumer's lack of knowledge of meat quality the introduction of the compulsory classification and/or grading system permitting simple visual identification, provided it is introduced judiciously and in gradual stages would be of immense benefit to the consumer.

### OFFAL AND BY-PRODUCTS

1. Edible offal or fancy meats are the organs and extremities removed from carcasses during the process of slaughter and dressing. They are passed fit for human consumption on the slaughter floor and sold either on the local or export market. Edible by-products remain the property of the owner when stock are slaughtered on his own account at an abattoir. In the case of service abattoirs the edible by-products are either sold or packed on the owner's behalf by the abattoir concerned at specified rates, the owner providing the container and packing material. Some abattoirs in Victoria retain edible offal as a reduction against killing charges which explains to some degree the discrepancy between abattoir slaughtering charges in Victoria and New South Wales. Brains, tongues and other fancy meat are exported to Europe and other parts of the world while lambs fry is readily sold on the local market. Offal recovery from lamb and sheep varies greatly due to disease and parasitic infection.

2. A review of offal returns included in the written submission by Mr J. J. Cusack of the Rural Action Movement relating to "Cost savings in marketing" was found to be inaccurate. The figure stated by Mr Cusack was 70 cents for offal return per lamb. The figure stated by Mr R. N. Irish, Economist, Department of Agriculture, Sydney, of approximately 28 cents offal return per lamb seemed more realistic and even the latter figure may be too high. The figures supplied by Mr Irish are quoted hereunder:

Brains .. .. .	95% recovery	× 5.5c	= 5.25
Hearts .. .. .	98% recovery	× 6.5c	= 6.37
Tongues .. .. .	100% recovery	× 35c	
		per dozen	= 2.92
Liver .. .. .	66% recovery	× 26c	= 13.32
			<u>27.86 cents</u>

3. Figures supplied by the Chief of the Division of Animal Industry, Department of Agriculture, gave a much lower liver recovery rate than 66 per cent. The figures supplied by him in respect of cattle and sheep are shown on Schedule "A" immediately herein.

### SCHEDULE "A"

Abattoir	Cattle					
	1968/69			1969/70		
	Number Surveyed	Percentage Condemnation	Kill	Number Surveyed	Percentage Condemnation	Kill
Byron Bay .. .. .	5,200	66	37,943	5,100	56	34,326
Casino .. .. .	6,750	80	74,228	7,500	74	67,076
Grafton .. .. .	5,093	44	27,510	5,100	32	31,222
Macksville .. .. .	5,209	39	28,357	..	..	38,604
Aberdeen .. .. .	8,990	23	52,423	..	..	66,659
Wingham .. .. .	6,038	51	25,677	4,900	53	32,261
Homebush .. .. .	24,000	19	142,846	..	..	170,776
Riverstone .. .. .	7,965	38	31,508	6,750	41	61,468
Berrima .. .. .	2,600	48	10,351	2,600	38	15,545
Guyra .. .. .	900	60	8,238	..	..	6,467
Tenterfield .. .. .	..	..	74,920	5,100	20	84,737
Wallangarra .. .. .	2,017	55	56,517	3,107	46	67,014
Blayney .. .. .	2,650	40	37,883	2,550	35	48,886
Mudgee .. .. .	2,513	38	11,185	2,550	36	20,790
Orange .. .. .	4,000	28	28,712	..	..	45,403
Goulburn .. .. .	4,478	60	18,757	..	..	26,547
Gunnedah .. .. .	5,100	24	46,354	4,800	16	65,436
Inverell .. .. .	2,550	36	12,487	2,570	38	15,264
Dubbo .. .. .	5,125	12	23,170	4,969	13	32,472
Forbes .. .. .	2,666	15	16,304	..	..	23,607
Wagga .. .. .	3,497	32	17,648	3,036	31	22,349
Moree .. .. .	4,912	12	23,668	5,125	18	20,467
Yanco .. .. .	2,467	27	25,666	2,350	25	30,598



## SCHEDULE "A"—continued

Abattoir	Sheep					
	1968/69			1969/70		
	Number Surveyed	Percentage Condemnation	Kill	Number Surveyed	Percentage Condemnation	Kill
Byron Bay ..	Nil	Nil	..	Nil	Nil	..
Casino ..	Nil	Nil	13,170	Nil	Nil	5,712
Grafton ..	Nil	Nil	11,927	Nil	Nil	14,041
Macksville ..	Nil	Nil	40,685	Nil	Nil	24,766
Aberdeen ..	24,450	37	513,756	18,380	24	441,021
Wingham ..	..	..	33,212	..	..	34,861
Homebush ..	39,500	28	2,266,728	..	..	2,025,564
Riverstone ..	23,271	33	808,581	11,500	29	750,394
Berrima ..	10,400	57	349,560	11,850	60	398,146
Guyra ..	15,159	63	286,587	*4,800	69	359,106
Tenterfield ..	..	..	..	..	..	..
Wallangarra ..	..	..	..	..	..	..
Blayney ..	10,600	52	789,072	10,200	39	896,412
Mudgee ..	10,400	34	331,063	10,200	39	366,997
Orange ..	19,600	19	587,387	14,400	19	587,545
Goulburn ..	14,393	68	572,028	13,803	73	655,330
Gunnedah ..	19,526	29	619,384	19,200	27	668,773
Inverell ..	10,400	42	351,680	10,380	36	319,943
Dubbo ..	20,300	33	514,440	19,200	29	474,224
Forbes ..	15,640	11	403,961	13,800	12	393,602
Wagga ..	15,400	32	241,585	12,200	50	352,455
Moree ..	10,350	30	247,195	10,143	32	216,681
Yanco ..	11,940	19	257,494	1,1780	12	303,620

\* 6 months only.

4. As a basis of comparison the actual figures from a Homebush Sale account showing offal recovery and prices from a consignment kill in respect of 306 Merino ewes aged 2 to 4 years slaughtered at Homebush Abattoir on 20th May, 1972, is shown hereunder:

				c.	\$
Frys ..	..	..	45	.12	5.40
Tongues ..	..	..	296	.07	4.62
Hearts ..	..	..	75	.04	3.00
Brains ..	..	..	150	.03	4.50
Brains ..	..	..	144	.02	2.88

5. Inedible offal consists of blood, bone, condemned carcasses, part condemned carcasses and organs, and other materials such as hooves, horns and stomach contents. This material is retained in the abattoir and converted into by-products such as meatmeal, blood and bone, and tallow. Inedible offal, because of the impracticability of its separation, remains the property of the slaughtering body and in the case of service abattoirs tends to offset the cost of slaughter.

6. Other by-products consist of animal organs and material collected from the slaughter floor, and subsequently passed fit for human consumption, as well as fat and trimmings not diseased. They are processed to make sausage casings, tripe, sutures, casein, edible tallow and other edible by-products. Blood may be collected on the slaughter floor for the production of high protein foods. Pet foods may be produced at export abattoirs from animal organs not desired for human consumption and from condemned material directed to a secured area where non-infected portions are hygienically excised under strict supervision. The Committee witnessed the packing of this material at abattoirs and its receipt at Uncle Ben's Pet Food Factory at Wodonga, where strict quality control was carried out. Only a few abattoirs were found to be processing tripe for the lucrative Japanese market.

7. The Committee is of the opinion that tallow made from condemned material and inedible offal should not be used to produce food for human consumption. Not only is the practice objectionable on the grounds of hygiene but it also creates a price disadvantage on tallows produced from edible materials hygienically separated under supervision by more progressive abattoirs. It is appropriate to mention the risks engendered in permitting tallow produced from inedible offal and diseased material to continue to find their way into products eaten by the public, especially cooking margarine.

8. Pet food production should be controlled at all abattoirs to standards maintained at export abattoirs because of the possibility that pet food material could find its way into small goods prepared for human consumption. There is also the distinct possibility that if uncooked diseased material is fed to pets a serious risk of hydatid and other infections could ensue. Any Industry Authority which may be established must give these matters its close consideration.

### **WORK FORCE IN THE NEW SOUTH WALES MEAT INDUSTRY**

1. There are some 20,000 employees in the New South Wales meat industry employed throughout the State under various awards covered by the:—

- (a) Butchers Wholesale Cumberland Award (piecework) in respect of Homebush Abattoir.
- (b) Federal Meat Processing Award (piecework) in respect of Riverstone, Orange and Tenterfield Abattoirs.
- (c) Butchers' Wholesale Country Award in respect of all country abattoirs, other than those covered by specific awards, incorporating tally time worked and incentive payments.
- (d) Butchers, Wholesale Newcastle and Northern Award incorporating employees in all northern abattoirs excepting Tenterfield.

2. Mr. W. A. Taylor, Federal President and State Secretary of the New South Wales Branch of the Meat Industry Employees' Union, gave evidence on behalf of the union and claimed that numerous disputes are caused by instructions given by the Department of Primary Industry and its inspectors to employees at plant level. Alteration of procedures at a moment's notice was stated to be one of the principal causes of plant slow-down and stoppages. The type of work performed in the slaughtering industry lends itself readily to industrial disputation and it was noticeable that where abattoir management gave special incentives to its employees, industrial disputes were minimized and the shortage of skilled labour less evident than in those abattoirs adhering strictly to awards. Evidence indicated that the best award in practical operation was the "Time Worked Incentive Award" which is, in effect, an incentive scheme encouraging each man on the chain to reach a minimum tally of 80 sheep within eight hours each working day except on Friday. When that tally is reached in under eight hours the incentive takes over; the tally required for Friday being 68 sheep. The same award applies to those employed on the cattle and pig chains, with payments commensurate with the skill and time required for dressing.

3. Evidence given by abattoir managers and the Chairman of the Metropolitan Meat Industry Board indicated that the prescribed sheep tally was a good day's work for a slaughterman on the chain and that it would be unreasonable to expect men to exceed that work load except for short periods. In instances where abattoirs applied to the union for the working of afternoon shifts the abattoirs have been granted permission. Absenteeism among abattoir employees is prevalent and has been found to be more prevalent on Mondays. One stated reason for heavier absenteeism on Mondays was that men worked the previous night loading out from chiller rooms and were exhausted the next day. There appeared to be a shortage of skilled butchers in abattoirs throughout the State which had the effect of keeping throughput below full capacity, particularly on mutton chains. The lack of continuity of employment is a factor which influences labour shortages in the industry. It was mentioned to the Committee that if extra shifts were desirable and could effectively be worked in New South Wales, boning room and chilling facilities would have to be increased. Uniformity of awards and industry administration could have the effect of retaining a greater number of skilled butchers in the industry and thereby improving output and quality in New South Wales abattoirs. The need to employ an industrial officer in Local Government Service Abattoirs was stressed to the Committee.

### **BONING ROOMS**

1. The Committee examined various types of boning rooms at the abattoirs inspected. Boning rooms appeared to be an important factor in the profitability of abattoir operation. It was expressly stated in one written submission that the lack of boning room facilities seriously affected the success of the abattoirs at Forbes and Moree. The efficiency of operation in boning rooms has an important bearing in clearing chiller space and assists in maintaining abattoir throughput during peak killing periods. Boning room operations are slowed down considerably by the incidence of *Cysticercus Ovis* in mutton. These cysts could be deeply embedded in muscle and difficult to detect. Their detection increases the cost of preparation of lean boneless meat derived from older sheep. It would not be unrealistic to expect that with the development of modern trends in meat packing, boning room operations will expand

and become more sophisticated. Not all meat processed in the boning room is boned out and packed for export. Particularly in the case of beef, primal cuts from loins and rumps are channelled back into the local trade. Some boning and processing establishments are situated in areas conveniently located to centres of distribution and export outlets. Boning rooms designed for future use should possess facilities permitting the use of modern packing techniques.

### TRANSPORTATION OF MEAT

1. Meat, both frozen and packaged, and in carcass form, is transported from country meatworks by rail and by road. Rail is principally used to transport frozen packaged meat and frozen carcass meat for export. Chilled carcasses are also sent by rail to the meat hall at Homebush. Mr. K. F. Gooley giving evidence on behalf of the Country Meat Works' Association stated that rail vans used by the Department of Railways, viz: SRC. 10-ton, MRC. 20-ton, and TRC. 32 ton capacity, cooled by ice, are unsatisfactory owing to inadequate insulation. He also stated that railway waggons ordered to transport meat have not always arrived in a clean condition thereby causing delay in consigning meat from abattoirs. It was alleged that present day railway waggons may not be of a sufficient standard to comply with regulations for the transfer of meat.

2. The transport of chilled carcass meat by rail to city outlets and meat plants having no access to rail is inconvenient and unwieldy as carcasses have to be off-loaded from rail waggons on to road transport. Most witnesses associated with the slaughtering or wholesaling of meat from country centres indicated that country killed lamb was at a disadvantage with metropolitan killed lamb unless delivered to its retail outlet in the shortest possible time after chilling. The reason for this contention is that lamb rapidly loses its bloom thus sharply reducing its value. Country abattoirs load out the day's kill late that same night and transport it by road to the market or retail shop early each morning. Road transport incurs payment of road co-ordination tax and according to evidence given by Mr D. F. Manwaring a transport operator from Cootamundra, the cost of transporting meat per lb by road, including road co-ordination tax, was 1.5 cents per lb, while rail freight was .5 cent per lb.

### ROAD TRANSPORT

1. An increasing quantity of chilled carcass meat is transported from country abattoirs to city outlets such as boning rooms, processing plants and retail outlets, because of the speed and convenience of delivery which ensures that the meat arrives fresh at its destination. Meat transported by road in excess of 50 miles incurs a road co-ordination tax of 1.25 cents per ton mile. Evidence given by Mr K. F. Austin, Director of W. Austin Proprietary Limited, a company which makes deliveries from the Homebush meat market, indicated the need for establishing special loading zones to enable the transfer of meat from vans to city retail outlets; such loading zones to be provided as close as possible to the retail outlets as delays in unloading into shops add to costs in meat cartage.

2. Evidence given in Blayney showed that lamb and vealer beef was at a price disadvantage when slaughtered in country areas and transported to Sydney by road as these meats incurred payment of road co-ordination tax. Yet, ironically, the transport of live lambs and calves by road do not incur payment of this tax. It was pointed out to the Committee that road co-ordination tax paid by a certain contractor delivering out of Blayney, Orange and Cowra, was \$90,000 per year. Road co-ordination tax gives a price advantage to carriers bringing lamb from Victoria to Sydney, over carriers operating from New South Wales country meatworks, on account of the fact that the interstate haulier is exempted from payment of the tax. Evidence indicates that the transportation of lamb and chilled carcass meat by road should be exempted from payment of road co-ordination tax in circumstances where direct delivery cannot be made by rail.

### HOME BUSH MEAT MARKET

1. Homebush meat market is part of the Homebush complex of saleyards, abattoir and meat halls and is under the control of the Metropolitan Meat Industry Board. The meat halls are divided into two categories:

- (a) The city meat hall and hold-over rooms, which receive meat for local consumption and export, other than export to North America.
- (b) The country meat hall and hold-over rooms which receive meat approved for the United States of America and Canadian markets only. Homebush meat cannot be sold in the country market unless and until it is listed to meet the requirements of the United States Department of Agriculture.

2. It is understood that negotiations are proceeding towards having Homebush Abattoir listed as an export abattoir by the United States Department of Agriculture. If these negotiations prove successful there could be some difficulty in providing a market for country killed meat processed by abattoirs not listed for export by the United States Department of Agriculture. A charge is made on the delivery of country killed meat to the Homebush meat halls but no charge is made for meat processed in Homebush Abattoir and delivered to the meat hall.

3. The Chairman of the Metropolitan Meat Industry Board, Mr P. S. Hill, deposed that approximately 95 wholesale operators traded in Homebush meat hall which opens each weekday at 6 a.m. for trading. Carcasses may be sold whole or broken down to meet customers' demands. When trading is completed the meat is delivered to the purchaser at the wholesaler's expense. Unsold meat is held over in chillers for which a charge is made and meat so held depreciates in value. Above normal carry-over of unsold meat may cause a fall in market price levels and in the wholesaler's margin of profit. It appears to the Committee that competition in the meat market is keen and balanced in relation to supply and demand. Although some retailers purchased for other retailers it did not seem to have any effect on depressing prices. Mr Hill stated that some traders may like to manipulate the market but that competition was too keen between traders to allow this.

### WHOLESALE OF MEAT

1. The wholesale butcher selects, purchases and slaughters livestock to produce meat for the requirements of the retail trade. This operation requires skill and judgment in the selection and breaking down of carcasses for the supply of special cuts to selective communities. The operation entails a high degree of risk as he has to make allowances for losses in converting livestock to meat, and losses incurred by the perishability of a product which could be aggravated by industrial hold-ups and sudden changes in retail demand.

2. Principal costs associated with meat wholesaling in respect of country killed meat are:

- (i) The cost of purchasing and transporting livestock to the nearest abattoir.
- (ii) Payment of slaughtering charges.
- (iii) In the case of country killed meat consigned direct to retailer:
  - (a) costs incurred in the selection or grading of carcasses and in some cases break-down of carcasses to meet consumer requirements.
  - (b) Load out costs from chillers.
  - (c) Costs of delivery to retailer; if road transport is involved it includes payment of road co-ordination tax.
- (iv) If country killed and consigned to Homebush Meat Hall:
  - (a) Load out cost from chiller.
  - (b) Freight charges to Sydney.
  - (c) Unloading fees and charges paid for use of meat hall.
  - (d) If not sold, charges paid for use of hold-over chillers.
- (v) If slaughtered at Homebush Abattoir:
  - (a) Payment of purchasing and transport costs.
  - (b) Payment of droving fee.
  - (c) Payment of slaughtering charges.
  - (d) Costs incurred in the selection and breakdown of carcasses to meet retail customer requirements.
  - (e) Costs incurred in the delivery of meat to retailer.
- (vi) Providing of credit to the retailer (See Appendix "B" showing costs and returns).

3. The wholesaler is subjected to constant price and demand fluctuations from the retail butcher who carries minimum stocks and usually purchases on a day-to-day basis. The wholesaler keeps close contact with his client to meet his demands at the right price and compete successfully with the other wholesalers. The exercise is made more difficult as a wholesale butcher needs to purchase and arrange for the slaughter of livestock some seven days prior to supplying a retailer's requirements. If demand slackens suddenly because of prolonged hot weather, holidays or other circumstances, and the wholesaler does not reduce his business momentum in good time he could lose a considerable amount of money holding supplies of a perishable commodity deteriorating rapidly in value; lamb for instance has about a six day shelf life. Once meat reaches a stage of unattractiveness to the consumer it has to be used for manufacturing purposes and commands a much lower price.

4. The wholesale butcher is an important link in the meat industry chain as he selects from a wide variety of livestock to supply the retailer who must satisfy consumer demand. The wholesaler selects livestock from wide areas of New South Wales and interstate. It is a process that requires knowledge and skill. Producers and producer organizations were not able to justify the elimination of the wholesale butcher, or the middleman as he is frequently termed, in evidence tendered to the Committee. In fact, producer organizations agreed that the wholesaler could not be eliminated. Evidence received from the Department of Agriculture, university professors and economists, substantiated to a very large degree the submissions made by wholesale butchers on cost analysis.

5. The different types of wholesale butchers are, viz:

- (1) The vertically integrated large company which:
  - (a) Owns or controls properties to produce part of its meat requirements.
  - (b) Operates its own abattoirs.
  - (c) Operates as wholesale butchers at Homebush and uses the facilities of service abattoirs.
  - (d) Owns a fleet of trucks for distribution.
  - (e) Operates a number of wholly owned butcher shops.
- (2) The partially vertically integrated corporate wholesaler who:
  - (a) Operates at Homebush or other service abattoirs.
  - (b) Owns or has a controlling interest in a number of butcher shops. (This category consists of privately owned family companies.)
- (3) The unintegrated wholesaler:
  - (a) This type of wholesaler includes company partnerships or persons that operate wholly at Homebush.

In some instances overlapping occurs between the three categories. The first and second categories handle the largest quantity of meat sold at Homebush.

6. The Chairman of the Metropolitan Meat Industry Board indicated in his evidence that the smaller family companies operating at Homebush worked long hours to carry on their operation. It is not unusual for small operators to carry out the entire operation of purchasing livestock, arranging and supervising slaughter, marketing in the meat hall, and dealing with all other business aspects associated with wholesaling, without employing labour. A considerable amount of capital investment is involved in even the smallest undertaking of this kind.

7. Mr C. J. Burland, Director of C. J. Burland Proprietary Limited, Wholesale Butchers, Homebush, stated in evidence that the Company's average yearly sales for the past five years was \$2,750,000 and that the percentage profit was 0.66 per cent on turnover. He considered this to be successful trading.

8. Figures taken from the Australian Financial Review dated 21 December, 1971, based on the total capital invested by four companies and their shareholders' funds, did not indicate excessive profits. In fact, they showed a decline in profitability from 1970 to 1971, as follows:

- (1) Anderson Meat Industries Limited. A net profit decline from 9.7 per cent in 1970 to 1 per cent in 1971 of shareholders' funds.
- (2) T. A. Field Pty Limited. A net profit decline from 9.4 per cent in 1970 to 7 per cent in 1971 of shareholders' funds.
- (3) Tancred Bros Pty Limited. A net profit decline from 5.9 per cent in 1969 to 4.8 per cent in 1971 of shareholders' funds.
- (4) F. J. Walker Limited. A net profit decline from 7 per cent in 1969 to 6.5 per cent in 1971 of shareholders' funds.

The abovementioned yields on investment do not compare favourably with yields from other industrial undertakings in New South Wales. Available evidence from all sources indicated that wholesale meat margins are relatively small. Any reforms in meat wholesaling are unlikely to significantly alter total marketing costs. (See Appendix "B").

9. In recent years a number of meat wholesale companies have either gone into liquidation or withdrawn from the meat industry because of low profitability. The fact that there has been no manifestation of overseas capital being invested in the New South Wales meat industry in recent years is indicative of the fact that profits therefrom are not attractive. A major factor could be that most service abattoirs in this State are publicly owned and, consequently, unavailable for private investment. This is not so with other food processing industries. The meat wholesalers' share

of the consumer dollar has not risen in comparison with cost increases which have been substantial in the wholesaling industry. (See Appendix "C".) It is conceivable that some costs could be saved if producers and wholesale butchers were to trade on a weight and classification basis negotiated per pound on the hook and administered by an independent authority. The Committee was unable to find evidence of deceitful practices in the meat wholesaling industry. The meat wholesaler who does not have access to the consuming public would find it virtually impossible to sell a product of dubious quality to butchers with an expert knowledge of meat.

### RETAILING OF MEAT

1. Meat retailing outlets come within the following categories:
  - (a) A single butcher's shop owned by a sole proprietor, a partnership, or an exempt proprietary company.
  - (b) A group of shops owned by a sole proprietor, a partnership or an exempt proprietary company.
  - (c) A chain of butcher's shops owned by a listed or unlisted public company, or an exempt proprietary company.
  - (d) Supermarkets or chain stores owned by a public company.
2. Fixed costs associated with retailing are:
  - (1) Shop rental payments.
  - (2) Refrigeration and cold storage costs.
  - (3) Payment of rates and land tax.
  - (4) Telephone costs.
  - (5) Costs incurred in the depreciation of plant and equipment.
  - (6) Wages and payroll tax payments.
  - (7) Advertising costs.
  - (8) Printing, stationery and accountancy costs.
  - (9) Electric light and power costs.
  - (10) Workers' compensation insurance payments.
  - (11) Costs incurred in the insurance of buildings and equipment.

3. An extract from the submission furnished to the Committee by the Meat and Allied Trades' Federation of Australia reads as follows:

"Generally speaking, the proportion of total gross retail returns taken up by rental costs is 4 per cent to 5 per cent, while the proportion taken up by wage costs is 15 per cent (although it can easily be higher). These figures would be approximately the minimum that could be achieved by an efficient operation. Other items vary according to the area in which a shop is located, the promotion conducted by the retailer and the ability of management to cut costs.

For example, one large Sydney retailer (Case A) and another group of six or seven shops (Case B) in the calendar year of 1971 incurred operating expenses, other than rent and wages, of 11 per cent to 12 per cent of gross retail return. A third organization of equivalent size to Case B but in a very different geographical location, incurred similar costs of only 8 per cent to 9 per cent (Case C).

In the same way, however, there are normally differences between outlets in the proportion of turnover taken up by the average cost of meat handled, which compensate for cost differences. For Case A, the average cost of meat handled made up 61.86 per cent of gross retail returns. In Case B, the proportion taken up by the average cost of meat handled was slightly higher at approximately 62.38 per cent of gross retail returns. For Case C, however, the cost of meat handled equalled 66.33 per cent of gross retail returns, or a 50 per cent mark up on the cost of meat. Set out below is a table showing the break up of the gross profit percentage to sales figure for the three cases mentioned above.

		Case A	Case B	Case C
Ave gross profit % to sales	..	38.14	37.62	33.67
Wages costs % to sales	.. ..	18.00	15.06	14.80
Rent % to sales	.. ..	4.50	4.07	4.50
All other expenses	.. ..	11.50	11.29	8.50
Total operating costs	.. ..	<u>34.00</u>	<u>30.42</u>	<u>27.30</u>
Ave net profit % to sales	..	<u>4.14</u>	<u>7.20</u>	<u>5.87</u>

There are a number of additional factors to consider when judging the profitability of retail outlets. For example, the yield of saleable meat from a carcass differs according to the type of meat purchased and the area in which it is sold. This factor can be important because some retailers achieve yields of sometimes only 66 per cent from carcasses they purchase and the resultant fat and bone can only be sold for the production of tallow and meat meal.

If a retailer purchases lamb in carcass form at 20c per lb (which has been the recent experience), he faces a significant loss on his fat and bone because current prices for fat are only 2c per lb and for bone are only about .61c per lb.

The method of buying meat for a particular outlet can also affect profitability. If a retailer is able to reach agreement with a livestock producer whose stock give a consistent quality of meat, it may be possible for the retailer to acquire this meat at a lower price even though he must pay the livestock producer more. It must also be remembered that many retailers are graziers in their own right and have achieved significant vertical integration. This has often a marked effect on their meat purchasing costs."

4. Many of these costs remain constant although evidence indicated that rent, rates and wages, were factors which most influenced the price of meat in a locality because of:

- (1) The location of premises in relation to land values.
- (2) The skill of management and the butchers employed.
- (3) The location of premises in relation to movement and density of the consuming public.

5. A combination of retail management skill and the location of premises contributes significantly to the cost of retail meat sold to the consumer. In circumstances where these factors are favourable the retail butcher could maintain a satisfactory return and drop his price sufficiently to attract customers. The practice is particularly evident in a business where the enterprising butcher is cognizant of consumer satisfaction and acceptance of the commodity sold on a service, quality-price basis. The foregoing factors provide the reasons why there exists a variation in price between shops in different localities selling the same quality meat. Price differentials also occur between areas because the retail butcher serves his customers according to their capacity to pay for various grades of meat.

### **CROSS-SUBSIDIZATION BY THE RETAIL BUTCHER**

1. There was substantial evidence provided to the Committee that lamb prices have subsidized beef in the retail trade. For example, a retail butcher may sell his stocks of beef at a bare margin and increase his price of lamb to obtain his trading profits. Although this practice was denied by a number of butchers examined, the Meat and Allied Trades' Federation expressly stated in its submission that cross-subsidizing did take place in the retail trade and that the retailer's share of the consumer dollar is greater in respect of lamb and mutton than of beef.

2. The practice of cross-subsidization could disappear in the chain-store package type of trading, where a host of other commodities besides meat are offered for sale. In these circumstances costing is more likely to be related to the value of the individual commodity and its cost of preparation. Beef, lamb and pork prices in the livestock market all seem to reach a premium from time to time and while one or more of them are available at cheap prices it might be good practice to encourage a greater consumption of meat rather than induce consumers to turn to cheaper meat substitutes.

### **STABILISATION OF RETAIL PRICES**

1. Reference was made in evidence to the fact that the retail trade maintains constant meat price level to the public irrespective of livestock price movements within a price fluctuation range of between 5 per cent and 10 per cent. When prices move up or down beyond 10 per cent, retail prices are adjusted accordingly. Most butchers during the giving of evidence agreed that the practice was adopted having regard to the purchasing habits of the average housewife who prefers constant prices. It is suspected that, during the past eighteen months, retail butchers have taken advantage of maintaining retail prices for lamb and mutton after livestock prices had sustained a prolonged fall. Wholesale prices for meat appear to follow auction prices more closely than do retail prices.

### PROMOTION OF MEAT

1. The sale of meat is promoted in various ways, the principal methods being:—

- (i) Attractive displays of meat cuts and price tagging in butchers' shops enabling customers to compare meat prices with other food commodities. This is a valuable facet of meat promotion and is responsible for attracting a lot of customers who might otherwise purchase other food in preference to meat.
- (ii) Direct advertising in the Press. This is carried out in daily, evening and periodical local newspapers.

(Mr. J. H. Medway, President, Meat and Allied Trades' Federation of Australia (N.S.W. Division) stated in giving evidence that five butcher shops within his own organization spent between \$4,000 and \$5,000 each year on advertising and promoting meat and that advertising expenditure was rising.)

- (iii) City newspapers employing special food commentators to advise housewives each day of the cheapest and best meat cuts and where this meat is available for purchase.
- (iv) Personal promotion by the butcher who advises his customers of the quality of selected cuts.

2. The various methods of promotion used in the retail trade are beneficial to the meat industry provided price is correctly related to the quality of meat offering. However, if price is not commensurate with quality then promotion could be detrimental to total meat consumption. At the present time there is evidence that the retail trade places emphasis on price competition to the detriment of meat quality. Quite often meat of low quality is advertised as a bargain when in fact it is expensive when its price is measured against its quality. This type of advertising was evident in the promotion and sale of sides of lamb during the past eighteen months. Quality butcher and supermarket outlets tend to promote and sell meat on a quality basis. However, a number of retail butchers and other people closely associated with the meat industry clearly indicated that a section of the retail trade deceives the consuming public by the promotion and sale of inferior grade meat at near quality meat prices. This demonstrates the need to clearly indicate specific carcass classifications which could be identified by consumers and serve as a guide to quality. The present system of lamb selection and branding is conducive to misrepresentation.

### RETAIL MEAT OUTLETS

1. By far the greatest number of retail butcher shops are single outlets. Evidence by the President of the Meat and Allied Trades' Federation of Australia (N.S.W. Division) disclosed that about 20 of the 3,538 meat retailers in New South Wales are engaged in wholesaling as well as retailing and that only a small proportion of the latter have 5 shops or more. There are 1,950 retail butcher shops in the Metropolitan Area (County of Cumberland), 1,078 retail butcher shops in country areas (including the A.C.T. but excluding the County of Northumberland, the Wollongong-Port Kembla District and Broken Hill), 363 in the Newcastle Area (County of Northumberland), 108 in Wollongong-Port Kembla and 33 in Broken Hill.

2. Retailing competition is obviously keen with shops supplying meat in accordance with community requirements. For instance, the type of trading at Double Bay is vastly different to, say, Green Valley. A butcher in the Double Bay area is generally asked to provide more expensive cuts such as lamb loins and legs, rump, sirloin and fillet steaks, etc., with consumers possessing the means to pay for meat of high quality, whereas consumers in Green Valley may ask for lamb forequarter cuts, hogget and lower priced beef cuts, giving precedence to price over quality. Whilst the average good butcher relies on his ability to promote trade through dependable service, a butcher possessing few scruples has every opportunity to make profits by incorrectly aligning higher prices with lesser quality meat and exploiting consumer ignorance in meat selection. The unscrupulous trader would virtually be eliminated if quality is made distinguishable to the purchaser. It is not disputed that in communities where the consuming public has the wealth and time to be more selective only the butcher of integrity will survive, as a consumer will invariably change butchers in order to get the meat required. On the other hand, in poorer communities, the consumer with less wherewithal to pay attention to meat selection tends to eat less meat. When dissatisfied with the flavour and quality of meat purchased he tends to purchase other products rather than change his butcher. The butcher who deceives the public not only harms his own trade but does irreparable damage to the meat industry by lowering meat consumption.



3. Large firms, with substantial financial commitments in the meat industry, operating vertically integrated businesses are conscious of the need to deal fairly with the public in an endeavour to combat competition for the meat consumers' dollar from other products and substitutes. The only threat to the producer and the consumer from large integrated firms is that such firms, through lack of competition, will become monopolistic and force smaller competitors out of business.

4. Chain store and supermarket outlets appear to be gaining an increasing share of the meat retail trade. In former years they were inhibited by problems associated with meat packaging and presentation of the product to the consumer. Packaged meat tended to sweat and adversely affected quality and sale. However, the development of modern techniques in packaging have largely overcome these problems.

5. The Committee was advised that considerable costs in retailing meat could be saved if meat was sold in packaged form by a shop assistant rather than sold by butchers in retail premises. It was suggested that the preparation of meat could be done on premises attached to a food retail outlet which sells meat to the public by making fullest use of a skilled butcher solely to cut meat; the functions of wrapping, weighing and selling to be performed by lower-paid assistants. Packing and meat preparation could also be carried out at a central processing plant supplying many outlets. With the development of modern packing techniques and the availability of a greater range of carcasses, a central depot seems to provide the most successful operation.

6. The cutting and packing of meat at a central processing plant or abattoir possesses advantages which may reduce the cost of meat to the consumer and prove beneficial to the industry. These advantages are:

- (a) The enabling of a more efficient and hygienic system of meat transportation.
- (b) Retailing meat in attractive packs which are labelled according to weight, quality and price, and sold in the same market as other products competing with meat.
- (c) Permitting the customer to select a pack for his requirements on which price is clearly displayed, thus dispensing with the services of a sales assistant.
- (d) The saving of time to a working wife who can purchase all her food requirements in one retail store.

7. Evidence by Mr J. Lucas, Controller of Perishables, Woolworths Limited, who has had wide experience in the meat industry in New Zealand and in Australia, emphasized the importance his firm placed on supplying quality meat to the consumer. Woolworths Limited has:

- (1) Established a meat packing plant at Blacktown costing \$2,500,000 where meat is hygienically and scientifically processed and packed for delivery to its Metropolitan outlets.
- (2) Ensured that quality livestock is slaughtered at service abattoirs and that carcasses are delivered as quickly as possible to the plant for processing and ageing under controlled conditions.
- (3) Endeavoured to buy direct from the producer, quality stock on a weight and grade basis, with a bias towards the lot fed and green fed finished stock, through its own livestock buyers.

8. Mr Lucas indicated that over the past twelve months, Woolworths Limited endeavoured to select its livestock requirements and buy meat over-the-hook but that most producers are not anxious to trade this way. Woolworths Limited had entered into the export field in an endeavour to promote the sale of packaged Australian meat through world chain store systems. He stated that an important order had been obtained to export mutton and lamb to Stockholm following a recent visit he made to that city and an inspection subsequently made by the importer nation of the Company's Blacktown plant. It is appropriate to remember that supermarkets do not give retail credit on meat nor do they give specialized sales service such as trimming, and purchasing advice to their customers.

9. Supermarket-type meat retailing could be highly beneficial to both producer and consumer, encouraging direct marketing on a weight and grade basis, provided that the industry is not monopolized by one firm stifling competition in the wholesaling and retailing of meat. The Committee believes that if a weight and classification system is introduced, all retail outlets would need to come under an industry authority, if established, for introduction of the system so as to ensure that weight and classification is faithfully carried out. The Committee is also of the opinion that although healthy competition exists in the retailing of meat there is a need to protect both producer and consumer from misrepresentation in the retailing section. The retail section could possibly afford the greatest cost reduction by implementing reforms in marketing as the retailers' margin accounts for the greater share of the consumers' dollar in the meat trade. (See Appendix "C").

## LATE TRADING AND THE SALE OF RED MEAT

1. Evidence from Mr J. Lucas, on behalf of Woolworths Limited, favoured late trading hours for red meat, and Mr J. H. Medway, President of the Meat and Allied Trades' Federation of Australia (N.S.W. Division) was against it. Mr Lucas stated that, "Current investigations and trials of varied shopping hours throughout the Commonwealth made it clear that the consumer is determined to have (and is entitled to have) more flexible trading hours for the purpose of family requirements. There are clear indications in New South Wales, to date, that as fresh meat is not available on late shopping nights a significant number of consumers are diverting their purchasing power to frozen and delicatessen food substitutes."

2. Late shopping hours were obviously decided upon to suit the public convenience. Those taking advantage of the extended hours are obliged to either make a further outing to shop for meat next day or purchase alternative foods if subsequent shopping for meat is impracticable. In reply to a question by the Chairman, Mr Lucas stated that Woolworths Limited does a substantial part of its trading on Thursday nights and that, in his opinion, the meat industry would be committing industrial suicide by not involving itself in late trading. If the industry did not do this the producer would surely suffer. The case against, put by Mr J. H. Medway, totally opposed the introduction of late shopping hours for the retailing of uncooked red meat. Mr Medway submitted in evidence the following reasons why the retail butcher would be at a disadvantage to the chain store retailer in retailing meat outside the present prescribed retail trading hours:

- (a) "A chain store supermarket would be up for no additional expense if uncooked red meat was included in late night trading. Its staff, already employed as cashiers and shelf re-stockers, would have no difficulty in handling sales of meat.
- (b) Butchers' shops retailing meat outside the present retailing hours would have to pay overtime penalty rates to all its staff, including butchers whose wages are higher than those of a shop assistant, to sell what the Federation believes could be amply sold during present trading hours."

3. The submission from the Meat and Allied Trades' Federation implied that the disadvantages referred to could give a monopolistic advantage to a large chain store organization and depress prices to the primary producer without any material price benefit to the consumer. It was also mentioned by Mr Medway that the Australian Meat Employees' Union supported the view held by the Federation. This is borne out by the fact that both bodies being parties to the Federal award voiced their objection officially to any alteration of existing hours permitting the trading of butchers' goods. The question of the alteration of trading hours for butchers' goods, in the Committee's opinion, should not be determined until it becomes possible to make a full assessment of the results of late trading. However, meat trading should have equality of trading hours with other products which may be regarded as an alternative to meat, giving special consideration to any trading disadvantage between meat and synthetic meat.

4. It should be mentioned, however, that late trading for butchers' goods is a matter for industrial arbitration. The New South Wales Government's amendment to the Factories, Shops and Industries Act, in December, 1971, removed the legal barrier to the sale of general goods and butchers' goods on one night per week. Variations of the (State) award have already been made to permit late shopping for general goods in various parts of the State. However, no variation in the appropriate Federal award, to which the Meat and Allied Trades' Federation of Australia and the Meat Industries Employees' Union are parties, has been made. Although the Act has been varied to make it possible to sell butchers' goods one night a week, this will not be possible until the interested parties have the Federal award varied.

## CONSUMERS

1. The Committee examined representatives of two women's organizations who made written submissions on the consumer aspect of the meat industry. Some other witnesses who appeared before the Committee were also asked to give their opinion from a consumer point of view. The greater majority of witnesses examined expressed a lack of knowledge of meat quality and stated that they relied on the advice of their butcher to make their purchases. A number of these people expressed lack of confidence in the butcher because they had been disappointed on occasions with the meat purchased. Almost all witnesses examined agreed they would welcome the identification of meat by branding as it would be an invaluable guide to the consumer. There was considerable dissatisfaction expressed with lamb purchases because of wide variation in the quality of meat branded as lamb. Consumers generally accept hogget in the belief that it is only glorified mutton. The identification of meat could assist the industry to sell meat of lower quality to the housewife who might be self-conscious in asking for cheaper cuts in the presence of others.

2. Submissions from the meat trade and a consensus of opinion expressed by consumers conveys a basic pattern of consumer preference which is influenced by a price relationship between various red meats, poultry, smallgoods, and meat substitutes. There seems to be a natural preference for beef but the lower price of lamb in relation to high beef prices in recent times has meant an increase in lamb consumption and a decrease in beef consumption per head of population. Mutton, on the other hand, in spite of its cheapness, had less appeal to the consumer than lamb.

3. The ease of cooking and edibility are influencing factors in the selection and purchase of meat. A young working housewife may choose quality grilling cuts not only because she can afford to pay for them but also because they are readily cooked. A housewife placed in moderate to good circumstances and solely involved in domestic duties may normally prefer quality cuts of a wide range notwithstanding the time required for its preparation. The housewife with a young family in a lower income bracket may choose more economical lower grade cuts for her daily requirements and quality cuts only for special occasions. Lamb side specials would feature heavily in this type of purchase. Continuity of standards has an influence on the consumers' choice of food commodities. The unreliability of the quality of red meat may be one other reason why alternatives of a more constant standard such as poultry are sometimes preferred.

4. The average consumer shopping for meat would come within one of the following categories:

- (i) The shopper who looks for bargains and personally chooses the meat required.
- (ii) The shopper who relies on the family butcher to advise on meat purchases.
- (iii) The shopper who purchases meat in bulk, pays the butcher to cut it up and places it in the deep freeze in family packs.
- (iv) The working housewife who purchases pre-packaged meat at a shop or chain store identifying at a glance the pack that will meet her requirements.

5. There is today an ever increasing number of the last type of shopper. If satisfied with her purchases of pre-packaged meat, her family and her contemporaries are likely to adopt this method of purchasing in the future which is good reason why some supermarkets, recognizing this trend, give top priority in supplying quality meat in the best possible packs. This purchasing trend could ultimately lead to change in the way meat is presented to the public by the whole industry and would be beneficial to consumer and producer alike. Evidence tendered by a number of witnesses indicated that packaged meat was initially slow to gain popularity due to inferior packaging but that old prejudices are disappearing with the introduction of modern packaging techniques. Every witness who expressed consumer opinion expressed a distaste for frozen packed meat no doubt brought about by experiences with inadequate freezing methods and a lack of understanding of how to cook frozen meat. The same witnesses held no prejudices against consuming chicken or meat frozen in their own refrigerators. Some consumer witnesses quoted extremely low prices recently paid to producers for sheep and lamb, viz.: 20 cents and 50 cents per head, respectively, and related them to the retail prices prevailing for mutton and lamb. In the opinion of the Committee these witnesses would undoubtedly have rejected meat from animals of the types bringing these low prices, unless in manufactured form. Propaganda of this kind is damaging to the industry because it may induce consumer resistance to reasonably priced meat.

6. The supply of meat to satisfy Sydney Metropolitan consumer demand is a complex operation which requires the co-ordination of the whole industry. It is made more difficult by the varied quality of animal production in New South Wales due to lack of seasonal stability and the natural geographic and seasonal effects on the production of livestock. Because of these factors it is necessary, from time to time, to draw on livestock and meat from other States to maintain a continual supply of the varied types and quality of meat for Sydney's Metropolitan requirements. Failure to fill this market's requirements constitutes an overall loss to the meat industry.

7. The Graziers' Association of New South Wales recommended that sub-standard lamb be removed from the carcass trade for manufacturing purposes. In the light of statements from some witnesses representing consumer organizations, the Committee is of the opinion that if lamb is passed fit for human consumption it should be available to the consumer as some poorer families may otherwise be entirely deprived of lamb. It is desirable that this type of lamb should be identified as low grade lamb to the consumer.

8. Some primary producers expressed the opinion that the consumer could be made to pay more as a means of increasing producer returns. Statistics reveal that the trade maintains a price level acceptable to the consumer without causing a great reduction in the consumption of meat. The Committee believes that any attempt to intentionally increase the price of meat to the consumer could weaken the demand for

meat in the consumer market and increase the threat from meat substitutes, synthetic or otherwise. Witnesses from the meat trade emphasized that the customer's attitude to the meat industry is paramount and this, undoubtedly, is the correct point of view. The meat industry must be consumer orientated and any industry reform considered in the light of consumer requirements. The Committee believes that a carefully developed system of classification and its identification by brand to the consumer, would be beneficial provided that:

- (a) The classification system devised is objective.
- (b) The system introduced is simply based and gradually developed.
- (c) Identification is proceeded with only when classification has been proven.
- (d) Identification to the consumer is solely descriptive and not promotional.
- (e) Classification and identification are administered by an independent authority.

### EXPORT INDUSTRY

1. The export of meat is the constitutional responsibility of the Federal Government. Domestic production and supply to the New South Wales public lies within the sovereign powers of the State. Having regard to the relationship of the export industry with the slaughtering, wholesaling, and retailing of livestock in New South Wales, the Committee was impelled to look into the export industry in view of its impact on the State's livestock and meat industry.

2. There are forty-one meat exporters in this State besides interstate exporters who purchase livestock and slaughter them in New South Wales. Meat exporters in this State are either listed public companies, unlisted public companies or exempt proprietary companies. Most exporters engage in wholesale and retail operations and some own and operate abattoirs besides owning pastoral holdings.

3. It appears that the New South Wales proportion of beef, veal and mutton exports are below the Australian average and that the export of lamb is about average with other States. It is extremely difficult to assess the actual proportion of meat exported from livestock produced in this State because of the movement of livestock between South Australia, Victoria, Queensland and this State.

4. The price of beef is influenced to a great extent by the export market. The written submission by the New South Wales Meat Exporters' Association, together with evidence from other witnesses, indicated that the prices for some types of beef on overseas markets is higher than that obtained on the local market. These higher prices coupled with the increasing proportion of Australian beef production being exported, now 50 per cent, could have an even greater influence on local beef prices. The local consumer is fortunate that the production of baby beef, which is the most popular type of beef on the Australian market, is well supplied at the present time. Should it become more profitable to grow young cattle to meet export requirements, prices on the home market may be influenced to a greater degree. Mutton, because of its declining popularity on the home market, combined with over-supply of sheep from the wool industry, is predominantly influenced by the export market.

5. Lamb, on the other hand, is in greatest demand on the local market with surpluses going to export, at a lower price than that obtained on the home market. The volume of production, therefore, has the greatest effect on lamb prices. Export incentives for lamb could raise its local price but these incentives would only be a short-term panacea. The best means of improving the lamb market for the producer, in the Committee's opinion, would be to channel more finance and energy into developing high priced export markets. The Australian Meat Board, until recently, had devoted most of its energies to beef export with scant attention being given to lamb export other than to the United Kingdom.

6. Evidence indicates that a great deal more could be done to promote lamb in more lucrative markets such as the United States of America and Canada. The Australian Meat Board and the lamb committees from each State are now making worthwhile attempts, in conjunction with American producers and fatteners, to develop a better lamb market in the United States of America. One difficulty in promoting Australian lamb in markets such as the United States of America and Europe is the uncertainty of being able to continually supply the type and quality of lamb required in the markets developed.

7. It appears that the Australian Meat Board hesitated in promoting lamb on the export market to any great extent because of uncertainties in regard to maintaining continuity of supply. There is little doubt that Australian lamb producers are sufficiently expert and versatile to specially produce lambs for export requirements if the price is sufficiently attractive and the export operation is properly co-ordinated by the Australian Meat Board and the interested parties on a contractual basis. Evidence indicates that canned lamb exports are increasing and that increased exports will be of economic benefit to the industry. It is a tragedy that unscrupulous traders have damaged the reputation of Australian lamb marketed in the United States of America and other countries through misrepresentation and falsification. The Committee believes that the Australian Meat Board should be more thorough in its supervision and control of lamb exported overseas.

8. Exporters were criticized by a number of witnesses of having made exorbitant profits from mutton exports. However, evidence indicates that the profitability of export mutton was reduced by substantial losses from time to time. One reasonably large exporter admitted to making substantial profits on export mutton for the six months ending December, 1971, but during the previous twelve months he had shown substantial losses.

9. Factors which reduce the export of mutton to an unprofitable level are:

- (a) A rise in sheep prices after export contracts had been agreed to at a firm price.
- (b) Shipping delays and industrial disputes at wharves.
- (c) Carcasses retained for long periods in cold storage awaiting sufficient quantities to make up an order. (One exporter stated that 80 per cent of mutton carcasses spent an average of five weeks in cold storage.)
- (d) Delays in slaughtering.
- (e) The number of sheep required to be killed from which suitable carcasses could be selected to fill an export order.

These itemized costs are additional to normal charges for buying, slaughtering, packing, freezing and transporting mutton to ship's side for export.

10. If the total quantity of export mutton to all destinations bone-in is divided into gross returns the resultant average price is not very encouraging to an exporter. This shows that while some make a scoop on an overseas market, margins on export mutton are not excessive. Figures obtained from the Australian Meat Board show that, in 1971, mutton exported to all destinations totalled 220,400 tons on a carcass weight basis. The exports realized \$52,314,000, yielding an average price of approximately 12 cents per lb (f.a.s.).

11. The Committee requested the New South Wales Meat Exporters' Association to provide a sample of actual costs related to an export shipment of frozen carcass mutton and boneless mutton. The costs quoted by the Association are indicated hereunder:

Case A

		Export Carcass Mutton					
(i)	F.O.B. selling price—						cents per lb.
	12/3/71 to 13/7/71	..	..	..	..	..	12.4 average
	1/1/72 to 31/3/72	..	..	..	..	..	11.2 average
(ii)	Expenses and charges—						
	(a) Freight from killing centres to distribution centres						1.00
	(b) Freezing costs	..	..	..	..	..	.95
	(c) Wrapping of bone-in carcasses	..	..	..	..	..	.85
	(d) Sundry costs, including shipside delay, loading of containers	..	..	..	..	..	.20
	Total expenses excluding cost of meat	..	..	..	..	..	3.00
(iii)	Net selling return excluding cost of meat—						
	12/3/71 to 13/7/71	..	..	..	..	..	9.4
	1/1/72 to 31/3/72	..	..	..	..	..	8.2
(iv)	Sample of weekly sheep costing for all livestock purchased, dead at abattoir:						
	Week-ending						cents per lb.
	14/7/71						6.61
	21/7/71						5.65
	28/7/71						10.63
	4/8/71						8.95
	11/8/71						11.17
	25/8/71						13.18
	1/9/71						10.45
	8/9/71						11.53
	15/9/71						9.39
	27/9/71						10.35

## Case B

## Export Boneless Mutton

Below are actual figures of a group of 1,352 carcasses purchased for the export of boneless mutton in January, 1972.

Expenses	cents per lb.
(i) Cost of carcass meat .. .. .	9.00
(ii) Packing .. .. .	.38
(iii) Labour costs—boning .. .. .	1.62
(iv) Overheads .. .. .	.28
(v) Cold storage and cartage to wharf—boneless export meat only .. .. .	.60
Total expenses .. .. .	<u>11.88</u>
Gross Revenue	
(i) Export of boneless mutton at 22.25 cents per lb f.o.b. with a carcass yield of 48 per cent .. .. .	10.68
(ii) Boneless trimmings for local trade at 13 cents per lb with a carcass yield of 8 per cent .. .. .	1.04
(iii) Fat sales at 3.18 cents per lb with a carcass yield of 11 per cent .. .. .	.35
(iv) Bone sales at .79 cents per lb with a carcass yield of 32.5 per cent .. .. .	.26
(v) Kidney sales at 25 cents per lb with a carcass yield of .5 per cent .. .. .	.12
Total gross revenue per lb .. .. .	<u>12.45</u>
Net revenue per lb handled .. .. .	.57 cents

12. The information on costs supplied by the New South Wales Meat Exporters' Association was checked with other evidence relating to Abattoir charges, handling costs and carcass values, and found to be a reliable assessment. It will be seen in Case "A" that profits would have been doubtful. However, in Case "B" a net profit of .57 cents per lb was realized. The inquiry convinced the Committee of the importance of the Australian private meat export trader, vertically integrated in the industry, who himself sought out specialized markets throughout the world and was ready to place Australian meat in a market according to the ruling livestock price level in Australia. As the export price is dictated by the importing country there seems to be no way of stabilizing export prices. It is important, however, to keep it supplied even if losses are incurred on some meat shipments and this is the practice followed by most exporters.

13. There are some exporters who pirate the established markets of other Australian meat exporters by undercutting established prices initially to their own financial disadvantage and then recouping losses by supplying substandard meat shipments. It behoves the Australian Meat Board to exercise more vigilant control over exporters and export licenses.

14. Every endeavour should be made by the Federal Government through the Australian Meat Board to assist exporters to seek new markets and develop those already obtained. Some exporters were critical of the Australian Meat Board. Dr W. T. Costello, Chairman of the Board of Directors, Clarence River Co-operative Meat Society Limited, expressed the view that the Australian Meat Board should follow more closely the New Zealand Meat Producers' Board which appears to have a better record in promotion sales and control of New Zealand's meat exports than does the Australian Meat Board. Other witnesses also expressed the view that the Australian Meat Board should have wider powers in the export field, particularly in trading.

15. Should buoyant export prices force local meat prices to rise, the Australian consumer should not be ignored as he has been a very important customer to the meat industry. It is up to producers, the meat trade and the Governments concerned to see that this does not happen, as meat substitutes at lower prices could make serious inroads into what is our closest and most reliable market. Should export prices recede, a neglected home market would place the Australian producer at a disadvantage. If a new New South Wales Meat Industry Body were to be established it should maintain the closest co-operation with the Australian Meat Board on export matters.

## SUBJECTIVE GRADING

1. Grading methods at present practised in the meat industry are principally subjective. Subjective grading is a method of evaluating carcass quality, tenderness, succulence and flavour, by visual means. It relies on individual assessment and cannot be measured by defined standards. Because of this, present methods of grading are open to variation and malpractice. The methods now being used could easily be influenced by the number of carcasses available in relation to the quality and quantity of carcasses required. For instance, if a grader works on a poor run of carcasses he is likely to up-grade them to fill the required order. Conversely, if he experiences a good run he is likely to be more selective and down-grade the carcasses. The methods of grading now in operation offer no real basis for transactions or reporting market prices and are too unreliable to establish identification to the consumer. It gives the trade an opportunity to substitute inferior quality when quality carcasses are not available or are in short supply.

2. The only evidence placed before the Committee that meat-eating quality could be measured on beef carcasses was provided by Professor N. T. M. Yeates. The Committee was impressed with Professor Yeates' demonstration of carcass measurement and its relationship to beef quality. Evidence given by Professor Yeates indicated that the Australian Meat Board was unimpressed after limited examination of the system developed by him. The New South Wales Department of Agriculture has shown considerable interest in Professor Yeates' grading by carcass measurement and is assisting him in the Armidale trials. Professor Yeates' system certainly merits further investigation. The Committee does not recommend that subjective grading be adopted as a basis for weight and grade selling, market reporting, and the identification of grades of meat.

## CLASSIFICATION

1. Carcass description by objective classification was closely examined by the Committee as a possible method for the sale of carcasses by weight and specification; also a method by which market reports could be based and meat reliably identified to the public by strip roller branding. Classification of beef, lamb, mutton and pig carcasses provides a more reliable guide to the edibility of meat derived from such carcasses than those graded by subjective methods. A close examination was specifically made of Professor Yeates' grading system at Armidale, the grading scheme at Cannon Hill, Queensland, which is partly objective, and the Charles System of classification carried out to a limited degree at the Clarence River Co-operative Meat Society Limited, Grafton. Extensive evidence was also taken from experts in abattoir dressing procedures. The weight of evidence indicates that a classification scheme could be introduced and gradually developed, taking into consideration age, sex, carcass weight and fat cover. The required criteria could be measured during slaughtering and dressing, with very little interruption to present abattoir design and procedures. It requires a minimum of skill from those performing the task and could be incorporated with relative ease into the present meat inspection service.

2. Age is measurable by dentition after slaughter and gives an indication of tenderness and flavour. It is a general rule that as an animal ages its tenderness diminishes and flavour increases. It is an accepted fact that young lamb and veal are the most tender meat but have less flavour than more mature animals. Older lamb or hogget, and yearling beef, may still be almost equally as tender, subject to handling and production factors, and yet have a great deal more flavour. If production factors which influence tenderness and succulence could be measured in relation to age it would be a great boon to the consumer. Professor Yeates claims he can measure the effects of these factors by comparing the length between the anterior edge of the aitchbone and the first thoracic vertebra in centimeters of carcasses of the same age and fat cover. He contends that the heavier carcass with the same measurements produces better muscle development and that lighter carcasses indicate the absence of muscle components which produce tenderness and succulence. His theory that muscle components, first to shrink due to stress, malnutrition and age, are responsible for tenderness and succulence, seems logical even to a layman, as muscle produced from under-nourished, and aged animals is tough and unpalatable. If Professor Yeates' findings are proven beyond doubt his fleshing index should be adopted in a classification scheme. However, the Committee is of the opinion that this fleshing index could be superimposed without difficulty after a classification scheme was established on the measurements recommended. Sex can be readily identified during the slaughtering process and only becomes important in older animals as it has an influence on fat distribution and yield; age at which this factor influences a carcass can be accurately determined.

3. Weight of a carcass or side of beef is taken hot just prior to movement into the chillers. Weight when related to other measurements indicates carcass yield, and to some degree, meat quality. Weight is the principal factor in calculating carcass value and may be assessed on hot weight or by calculating chilled weight by deducting from hot weight a percentage for shrinkage in the chilling process. The percentage deducted for shrinkage from hot weight seems to vary from abattoir to abattoir. The weighing of carcasses should be carried out on scales which automatically register weight at a central point and stamps their registered weight on a docket.

4. Fat depth measured at specific points on beef, lamb, mutton and pig carcasses has been proven to give a reliable indication of fat percentage and distribution when related to other carcass measurements. Fat depth could be measured by a number of different ways depending on the kind of animal the carcass is derived from and the methods used to break the various carcasses down. The most accurate method of measuring fat cover on a side of beef is by quartering at the twelfth rib after chilling and by measuring fat thickness over the longissimus dorsi muscle at a prescribed point. The method may be undesirable because of a variation of quartering points used by the trade. Notwithstanding this, it may be desirable in the interests of the industry, to standardize quartering if weight and classification are introduced. As it would be impracticable to quarter and measure fat depth within the chillers the alternative would be to measure fat cover when carcasses are transferred out of the chiller. The loading out of carcasses from chillers usually takes place in the early hours of the morning and would necessitate a grader to be present. Although this represents an additional cost it may be in the best interests of the industry. A probe has now been developed which some claim can measure fat depth and give an accurate reading. The Commonwealth Scientific and Industrial Research Organization's Meat Research Laboratories at Cannon Hill are working towards the perfection of an electronic probe to measure fat thickness of carcasses. Fat depth of lamb, mutton and pork carcasses seemed to be more readily measurable than beef. The Committee is of the opinion that modern science and technology should be capable of eventually overcoming fat measurement problems without much difficulty. Reports were received of the successful development of such instruments in overseas countries. The ideal position for the taking of measurements would be on the dressing chain.

5. As each classification component is measured it would be identified on the carcass in order that the measurements can be interpreted to qualify each carcass for its particular classification. It could be either ticketed or stamped to identify its carcass classification. Any classification system decided upon should be sufficiently flexible to embrace all carcasses whether for the local or export trade. It should be descriptive, not promotional, and should be so designed that carcass measurements can be related to any specification for the local or export market. It should be labelled, stamped, or strip roller branded according to requirements. For this reason the Committee believes that Professor W. J. Scott's system of numerical identification of each measurement could be applied to the carcass by ticketing to facilitate classification. Evidence indicates that it would be desirable to stamp each quarter because of the interchange between the local and export trade in carcass breakdown should identification by strip roller branding be adopted for the local market. If carcass measurements are identified by Professor Scott's method they can then be selected and graded for whatever classifications may be adopted for either market and would obviate any detrimental effect that local grades may have on the export market. It would enable a classification scheme to be developed from simple beginnings with a limited number of classes of meat and allow the development of a more sophisticated scheme with the gradual inclusion of any additional measurements. Irrespective of changes and refinements which may take place from time to time in a classification scheme, numerical identification of carcass measurement would remain a constant factor in relating carcass value between the producer and the trade.

6. The Committee believes that the Scott system of numerical identification should not be used in a classification system as it would be difficult for the consumer to interpret its meaning. The application of various combinations of numerical codes by strip roller branding on a wide range of carcasses of different classifications is obviously impracticable. A combination of descriptive lettering and colours imprinted on meat as used in the Yeats' and Charles' schemes would be preferable.

7. In the case of beef, any initial classification scheme should be a simple one, grading into the fewest classes possible and should be based on refinements of the Charles system. It would be undesirable to place an upper weight limitation on classes as this would penalize animals with an exceptional growth rate which is a most desirable factor.

8. The classification of sheep meats presents a slightly different approach because lamb is already classified and identified to the consumer with a red strip brand. Evidence indicated that the present day classification of lamb embraces too wide a range in age and quality. The cut-off point for lamb should be between 6 and 9 months of age, because the age of a lamb cannot be objectively measured by dentition until the eruption of its final pair of molars which occurs at about 9 months of age. Therefore, the ultimate cut-off point in determining lamb should be 9 months. Lamb could be divided



into two types, viz.: milk type and older lamb. In determining lamb classification within these types it would be necessary to carry out pre-slaughter inspection and carcass appraisal in combination with weight, fat cover and dentition, with dentition always being the overriding factor. Milk-type lamb could be identified by prefixing the letter "S" to the present lamb brand and older lamb can simply be identified by the word "lamb". Chosen grades within each class could be identified by the use of different colours. Manufacturing types and over-fat lamb should be specially identified by an additional colour strip.

9. A sheep should be classified as hogget between the eruption of its final molars and the second pair of permanent incisor teeth. Classification of hogget should be based on age before and after the eruption of the first pair of permanent incisor teeth, taking into consideration fat cover, conformation and weight and identifying each class by descriptive lettering in different colours. Again, over-fat and manufacturing types should be identified by a distinctive coloured strip. Any sheep that has erupted four or more permanent incisors should be classified as mutton. It may be necessary to only describe one top-grade of mutton. Dentition should be the absolute determinant for lamb, hogget and mutton, and no other criteria should be used for transferring carcasses from one class to another in order to avoid malpractices.

10. Consideration could be given to using Dr Scott's system of imprinting carcass measurement by stamp or ticket to enable grading into various classes and identification of classes by strip branding or ticketing to whatever market they are destined.

11. The Committee did not have the same opportunity of studying pig classification. However, a most informative written submission was received from the New South Wales Department of Agriculture, recommending the adoption of the Canadian classification system which could be applied in Australia to the benefit of both producer and consumer, providing a basis for trading and market reporting.

12. It is stressed that any classification system adopted should be a simple one in the beginning, soundly based and capable of being developed so as to permit a reliable description of the wide variety of carcasses produced from Australian livestock to meet the demands of market requirements. Identification to the consumer should be undertaken only after the classification scheme is found to be working satisfactorily at the producer, abattoir and trade level. Because of the lamb branding scheme already in existence, the development of a more clearly defined system of lamb and hogget classification should be undertaken as a matter of urgency.

13. The recommendations of the Committee should serve as a guide to any industry body established to formulate and introduce classification, which should be on a compulsory basis by the New South Wales Meat Inspection Service. There is need for consultation with the Australian Meat Board to ensure that any classification scheme adopted in New South Wales will not cut across national interests and there seems to be no reason why New South Wales should not take the initiative provided that the system adopted fits in with national requirements. Self interest by other States to supply the Sydney Metropolitan market will induce them to follow the lead and would tend to develop uniformity. Section 92 of the Commonwealth Constitution would appear to be no barrier to New South Wales defining principles by which the other States should meet classification standards in supplying the Sydney Metropolitan market. This is borne out by other States now complying with meat inspection and lamb branding requirements under the New South Wales Meat Industry Act. During the giving of evidence, Dr W. J. Scott, Mr D. Charles and other important witnesses indicated that New South Wales possessed sufficient data to introduce gradually a system of meat classification.

14. The meat trade seemed to be critical of the extra cost that classification would entail. It must be pointed out that at present, grading is carried out by the trade and being paid for, no doubt, to a great extent by the producer, as abattoir costs tend to reflect against producer returns. It is open to doubt whether operators are apprehensive of the extra cost of classification or the revelation of certain practices of the trade. There is no doubt that there would be extra costs involved but this would be a small price to pay for a development which is the only method on which transactions can be soundly based, market intelligence recorded, and disciplines introduced into the meat industry to obviate costly practices and provide benefits to both producer and consumer. The system of identification to the consumer should describe meat types giving a guide for selection according to requirements and purchasing capacity.

15. Examination of the industry and evidence tendered indicated that the branding of carcasses and primal cuts for local consumption would present no insurmountable problem or conflict between the export and home trade where there is interchange and apportionment of carcasses between the two outlets. The inquiry proved that strip roller branding can be carried out on chilled carcasses and primal cuts and that it is preferable to hot carcass branding. Provided that carcasses are stamped on each quarter designating the classification measurement, roller branding can be applied at any convenient time after destination of the carcass is determined even in the boning room. If by chance branded meat did find its way to a boning room the brand can be trimmed off with fat selvage. Carcasses now selected for export

are not branded and should they be rejected for export at final inspection they are then branded and retained for the local trade. If meat is identified purely according to type the consumer will identify the most popular classification and provide an increased demand for the production of those types. Some witnesses stated that identification would be harmful because at different times some grades may not be available. There is no doubt that if this did happen the consumer would make a second choice. If a class of meat in demand became scarce the price would rise and cause enterprising producers to supply that particular type of meat. It can only be assumed at the present time that if higher quality cuts become unprocurable they are substituted by the next quality available and sold to the unsuspecting consumer. It is hard to believe that most meat cuts of varying standards would not be procurable most of the time due to the great variety of livestock produced in Australia. Branding meat to enable consumers to identify their requirements must help the producer to read the market and encourage him to manage his production to readily meet the consumers' choice.

16. Strip roller branding with vegetable dyes could be applied to identify all the cuts that required consumer identification on sheep, lamb and beef carcasses. There seemed to be no need for branding chucks, necks, shins and other similar cheaper cuts and this would obviate sausage and mince meat being made unattractive, the subject of which was a complaint from the trade. Any classification scheme developed should be carried out by the New South Wales Meat Inspection Service, appointed by the Minister for Agriculture, and an appropriate charge should be levied for service. Weighing of carcasses should also be within the powers of that service.

### MEAT QUALITY CONTROL

1. Dr Scott of the Commonwealth Scientific and Industrial Research Organization, Cannon Hill, stated that carcasses hung by the aitchbone induced tenderness. This could be of benefit to the consumer if the hanging of carcasses by this method does not take up too much additional chiller space or cause inconvenience on the beef rail. It is the opinion of the Committee that any industry authority that may be established should keep in touch with the research carried out by the Commonwealth Scientific and Industrial Research Organization.

2. Lot feeding under controlled conditions will induce tenderness and meat quality provided that a beast has been in a feed lot for a sufficient length of time. Controlled grazing on special green crops and pastures could have the same effect as lot feeding. Identification by branding this type of meat would be impracticable as any controlling authority would be faced with the difficulty of proving that a run of cattle had been lot-fed or control grazed for a sufficiently long period.

3. Ageing of meat by periods of hanging under controlled temperature improves meat tenderness and is a means of producing quality meat from older beasts that would otherwise be less attractive to the consumer. Carcasses subjected to ageing could be identified with a date stamp prior to the commencement of ageing and a guarantee given for carcasses so conditioned. Aged carcasses could, therefore, be branded as such.

### SCHEDULE OF PRICES

1. Until the classification of carcasses and a reliable marketing intelligence system is introduced, a schedule of prices would prove no more reliable than present market reports and would not reflect price changes any better than the present system. If a schedule of prices either compulsory or indicative is introduced at this time it would have to be set so low that it would be of little or no benefit. With the adoption of classification and accurate market reporting indicative price schedules could be set in advance.

### SALE BY WEIGHT AND CLASSIFICATION

1. If a classification and marketing intelligence system are developed, there is no reason why a meat industry authority could not develop sales by weight and classification from the producer to the meat trade without compulsion. With reliable market reporting, farmer education due to weight and classification selling, and the publication of a schedule of prices indicating trade requirements, producers would tend to balance supply and demand in all but exceptional circumstances. Consideration would need to be given to other factors such as:

- (a) The control of Local Government service abattoirs by the Authority.
- (b) The provision of additional chiller space and meat halls.
- (c) Careful development of regional meat markets besides Homebush.

Although some operators controlling private abattoirs may be reluctant to co-operate in the early stages of a weight and classification system, competition would influence final acceptance as was experienced with cattle sales by live-weight at Homebush.

2. The identification of small lots presented to an abattoir for slaughter in a weight and classification system would present an economic problem because of the need to separate small runs of carcasses and offal derived therefrom. The cost of doing this would inevitably increase slaughtering and handling charges to a great degree. It would be necessary to set a minimum quota to avoid small lots being submitted for slaughter. Small lots would need to be pooled on a co-operative basis or sold through the auction saleyards where butchers could select and combine drafts to be killed through normal channels.

### DEFINITION OF CARCASSES

1. At the present time there exists no legal definition of a carcass nor is there any precise requirement as to whether or not its tail should be removed, at what joint the tail should be removed, whether channel fat and kidneys should be removed or whether udder and cod fat should be excised. In the absence of a legal definition of a carcass, the weight on which payment is made can vary to a considerable degree depending on the practice adopted by the abattoir or the butchers concerned.

2. If the sale of carcasses by weight and classification is to become universal the legal definition of a carcass is essential to prevent manipulation of carcass weight by variation in excising or trimming. A legal definition should also define whether hot or chilled weight shall be adopted for the purposes of carcass measurement and transaction. If chilled weight is adopted then the extent of shrinkage from hot to chilled weight should be defined by law. The Australian Meat Board advised the Committee that it had given considerable thought to carcass definition for export purposes. It emphasized that a body responsible for recommending legal carcass description should confer with the Australian Meat Board so that only one definition is adopted on a national basis. It must be borne in mind that the legal definition of a carcass in New South Wales is the responsibility of this State.

### NEW ZEALAND MEAT INDUSTRY

1. New Zealand does not have to contend with State boundaries in administering its local and export meat trade. To enable the Australian Meat Board to exercise the same constitutional authority as the New Zealand Meat Producers' Board, there would need to be agreement between the Commonwealth and the States to co-ordinate existing divisions of administration in the meat industry. The Committee is mindful of these differences and its impact upon the New South Wales Meat Industry.

2. All evidence confirms the fact that New Zealand lamb production is vastly different to that of Australia due to the fact that:

- (a) New Zealand lamb is produced under ideal conditions eminently suited to lamb production without the problem of seasonal variations.
- (b) The New Zealand lamb drop punctually occurs over a three month period throughout the country and lamb cut-off can thus be determined by a particular month of the year.
- (c) There is little variation in lamb types and production can be accurately forecast.

These factors combined with the powers of the New Zealand Meat Producers' Board greatly simplify development of the New Zealand meat industry in relation to that of New South Wales. The great variation in livestock quality, particularly lamb produced in New South Wales under environmental and seasonal conditions never experienced in New Zealand, makes grading and marketing problems vastly more complex in New South Wales.

3. New Zealand exports 90 per cent of her lamb production in frozen form whereas Australia exports 15 per cent of its total production in frozen form. Australian lamb of comparable quality to New Zealand lamb enjoys a much better price on the home market than New Zealand lamb does on the export market even during periods of depressed prices in 1971-72.

4. The New Zealand Meat Producers' Board has amassed an industry fund of \$100,000,000 from applying levies on lamb, \$15,000,000 of which was applied as a subsidy to producers during the severe price drop in 1971-72. A similar board in New South Wales would not have power to levy funds because of section 90 of the Commonwealth Constitution which limits a New South Wales Board to charge for services only. It is noted that there are six different marketing methods existing in New Zealand including live auctions and that the producer is at liberty to choose whatever method he wishes. The greater percentage of lamb is sold by weight and grade on a schedule of prices. The procedures adopted by the New Zealand Meat Producers' Board in the export trade could well be a pattern for the widening of the powers of the Australian Meat Board in dealing more effectively with Australian meat exports.

## MARKETING OF PRIMARY PRODUCTS ACT

1. Because of the petition presented to His Excellency the Governor for the establishment of a statutory marketing board, under the provisions of the Marketing of Primary Products Act, 1927, for the acquisition and marketing of sheep meats, and in view of the evidence tendered by many witnesses having a bearing on the outcome of the proposed Poll, the Committee thought it advisable to relate the results of its inquiry against the proposed marketing authority sought by the petitioners.

2. The success or otherwise of a statutory marketing board acquiring any product, whether under the provisions of the Marketing of Primary Products Act, 1927, or by special Act of Parliament, as suggested by some, depends on the ability of the board to acquire sufficient quantities of the product to regulate its flow and price to the consumer. Overwhelming evidence obtained by the Committee indicates that any board embarking on measures to acquire meat and control the market in New South Wales will be unsuccessful because:

- (a) Although an authority may have power through licensing to control or prohibit the slaughtering of animals for its own requirements in order to supply the New South Wales market, it cannot control slaughter in instances where the carcass or parts of a carcass are destined for interstate trade on account of the provisions of section 92 of the Commonwealth Constitution.
- (b) The authority cannot prevent the entry into New South Wales of carcasses from other States if such carcasses comply with health and other standards adopted and practised in New South Wales and if marketing of the carcasses was a genuine interstate transaction. The State Crown Solicitor has specifically referred to the freedom from control that chain stores would enjoy in carrying out legitimate trading activities by distributing meat in New South Wales which was slaughtered and packaged in another State. There is little doubt that the same freedom would apply to large vertically integrated operators and this opinion is backed up by the fact that there is a substantial flow of interstate meat onto the Sydney Metropolitan market. (See Appendix "D".)
- (c) Established interstate trade in meat, protected by section 92, will enable interstate operators to undercut prices established by any State Authority.
- (d) Sheep and lamb carcasses, or part thereof, destined for export would appear to be outside the licensing power of a State as the Exports (Meat) Regulations of the Commonwealth gives the Commonwealth Government sole power over meat destined for export.
- (e) Witnesses from U.F.W.A. and R.A.M. indicated that their organizations are conscious of the limitations imposed by section 92 on a single statutory meat marketing board unless similar boards are established in adjoining States.

3. Physical difficulties involved in vesting would be considerable. It is clear from evidence that sheep and lambs could not be vested in a board, on the hoof, as all sheep and lambs are not produced for the meat industry. Vesting each carcass could be done at the point of slaughter but pools from which growers are paid cannot be established until after classification has taken place. It is apparent to the Committee that a board established under the Marketing of Primary Products Act, cannot vest carcasses and establish individual pools, each of which is required by statute to be separately administered, to meet grower payments for the many grades or classifications of lamb and sheep meats until an appropriate grading or classification scheme has been brought into effect. Under the terms of the Act the board can only raise finance on a product vested in the board and in the circumstances it is difficult to envisage how it could carry out the extensive task of preparing the industry for the establishment of grower pools on either a weight and grade or a weight and classification basis.

4. Furthermore, meat could not be identified as the property of the board or as having been sold by the board once it is reduced from carcass form, and no board under the Marketing of Primary Products Act, or any Authority established under Act of State Parliament could exercise control over meat or the meat trade once the carcass is broken down. This lack of identification and control combined with the interstate trading protection afforded by section 92 of the Commonwealth Constitution would enable operators to trade outside the scope of such an Authority. Under these circumstances, any Authority holding stocks of a grower commodity such as lambs, which has a maximum shelf life of 6 days, would be subject to serious losses remembering that frozen lamb is unacceptable to the local consumer. The circumstances just referred to would be further aggravated by insufficient chiller space in New South Wales to allow for holding stocks.

5. A board under the Marketing of Primary Products Act would have no control over chillers nor would it have any powers in respect of beef, as its jurisdiction would be limited to sheep meats as requested in the petition by the Rural Action Movement. There is no doubt that the operator to whom the chiller belongs would utilize his chiller space firstly to store his own beef. The board would have no power to commandeer private property or direct how chillers shall be used other than by paying for their usage. The scope of a board established under the Marketing of Primary Products Act will be far too limited in its application to deal with the real problems of the meat industry and meat is far too complex a commodity to be marketed by such a board.

### MEAT INDUSTRY AUTHORITY

1. All evidence leads the Committee to no other conclusion other than that there must be established a single Meat Industry Authority in the State of New South Wales, responsible to the Minister for Agriculture, endowed with power to regulate and control all aspects of the meat industry within the sovereign powers of the State.

2. There is a serious need for a single authority to assume and co-ordinate all the functions at present carried out by various State bodies in the administration of the Meat Industry in New South Wales, in the interests of economy and efficiency.

3. Because of the immense size and complexity of the meat industry in this State and taking into consideration its economic importance to both producer and consumer, the new Meat Industry Authority should be administered by a board comprised of seven members one of whom shall be the Chairman. The Chairman and two members should be employed on the Board on a full-time basis and the other four members receive payment of a fee for attending meetings of the Board.

4. Livestock producers, because of their heavy financial involvement in the Meat Industry merit major representation with three members on the Board. The abattoiring, wholesaling, and retailing sectors of the industry could be adequately represented by two members on the board because of the integrated nature of their operations. One member of the board, representing meat employees, could make a valuable contribution to the efficiency of the board on account of the significant involvement of labour in the meat industry.

5. The method of selection or election of all members of the board should be the responsibility of the Minister for Agriculture.

6. The establishment of the authority would require an initial grant from the Treasury. Once established, the authority will be financed by license fees derived from premises used for the slaughtering, processing, wholesaling, and retailing of meat and from charges made for services undertaken in regard to meat carcasses.

### RECOMMENDATIONS

In concluding its Report, your Committee recommends that:

- (1) A proposed new Meat Industry Authority be established within the sovereign powers of the State endowed with power to regulate and control all aspects of the meat industry and be responsible to the Minister for Agriculture. The Authority shall have a Board of seven Members three of whom shall be salaried full-time Members including the Chairman. The Chairman shall be appointed by the Governor.
- (2) One full-time member shall be a representative of livestock producers and the other full-time member shall be a representative of the meat industry.
- (3) Two members of the Board shall be representative of livestock producers, one member shall represent meat industry employees and one member shall represent the meat industry. These four members will be non-salaried members but shall be paid a fee for attending each meeting of the Board.
- (4) The method of selection or election of all Members of the Board shall be the responsibility of the Minister for Agriculture.
- (5) The new Meat Industry Authority, when constituted, shall specifically undertake the following duties and responsibilities:
  - (i) Take over and carry out the entire functions of the existing New South Wales Meat Industry Authority.
  - (ii) Take over and carry out the entire functions of the Metropolitan Meat Industry Board thus bringing under its administration and control the State Abattoir, meat markets, and saleyards at Homebush Bay.

- (iii) Establish and promulgate uniform abattoir procedures, standards of hygiene, meat inspection and abattoir licensing, acceptable to the Commonwealth, in order that the Authority may act as an agent, on behalf of the Commonwealth, to carry out meat inspection and abattoir licensing under Commonwealth direction.
- (iv) Develop a weight and classification scheme suited to national requirements embracing all meat carcasses; the scheme to be implemented through the New South Wales Meat Inspection Service.
- (v) Implement a system of identifying classes of meat to the consumer.
- (vi) Examine the operations of all municipal and county council abattoirs in which the State has a financial commitment and recommend to the Government the advisability of implementing such measures as may be necessary to ensure the profitable and efficient operation of the abattoirs concerned.
- (vii) License all premises and conveyances used for the slaughter, processing, storing, and sale of meat for human consumption and all premises used for producing pet foods from animal carcasses or part carcasses or offal derived therefrom and imposing such charges as may be necessary for services.
- (viii) Engage in trading on the export and local wholesale market through abattoirs under its control, supervise trading on behalf of producers, facilitate consignment selling and develop a system of sales by weight and classification from the producer to the meat trade based on a schedule of prices.
- (ix) Develop a system of market intelligence and a method of relaying back to the producer information and advice to promote efficiency in livestock and meat production.
- (x) The licensing of all fat stock auction saleyards and supervision of operations therein.
- (xi) Implement any measures beneficial to the meat industry and the consumer, in close consultation with the Department of Primary Industry and the Australian Meat Board, to co-ordinate State and national requirements.
- (xii) Appoint expert committees, as when considered necessary, to advise on any matters within the meat industry.

In addition to the foregoing recommendations governing the establishment of the new Meat Industry Authority and defining its duties and responsibilities, your Committee further recommends that:

- (6) Meat inspection in New South Wales continue to be carried out by the Department of Agriculture to maintain effective stock disease control.
- (7) All meat for human consumption in this State be inspected and passed by Meat Inspectors approved by the Minister for Agriculture.
- (8) The cost of inspection of meat for human consumption be borne by the Government.
- (9) The State Government confer with the Commonwealth Government with a view to accepting the role of agent for the Commonwealth in abattoir licensing and meat inspection.
- (10) A more intensive approach be made to control and eliminate hydatids and cysticercus ovis.
- (11) Every endeavour be made to establish a system to trace-back diseases in sheep and ascertain where they were depastured.
- (12) Tallow produced from condemned material and inedible offal shall not be used in foods manufactured for human consumption.
- (13) Diseased and condemned material from animal carcasses shall not be used for pet food or the manufacture of pet food.
- (14) The policy of establishing central killing areas be implemented as expeditiously as possible.
- (15) Closer control be exercised in regard to the transportation of meat, particularly the construction and cleanliness of vehicles and the manner in which meat is delivered to retail outlets.
- (16) The transportation of chilled carcass meat by road shall be exempt from road co-ordination tax where direct deliveries cannot be made by rail.
- (17) Road co-ordination tax be abolished in instances where livestock are transported direct from the paddock to the nearest abattoir.

- (18) Stricter supervision be exercised over the conduct of fat stock auction markets.
- (19) A carcass derived from livestock slaughtered for human consumption be legally defined for the purposes of weighing, classification and trading.
- (20) An objective classification scheme based on age, sex, weight and fat cover, be introduced and gradually developed for beef.
- (21) A classification scheme based on dentition, fat cover and conformation, be introduced for lamb to supersede the existing scheme.
- (22) Lamb should be identified to the public by strip branding according to the classifications developed.
- (23) Classification be introduced for hogget based on dentition, as a sheep having not more than two permanent incisor teeth.
- (24) Hogget should be identified to the consumer according to classifications by strip roller branding.
- (25) The classification of mutton be introduced according to trade requirements.
- (26) Classification schemes adopted for all meats should conform with national requirements and be developed following consultation with the Australian Meat Board.
- (27) Consumer identification of classifications of meat by strip roller branding should be descriptive and not promotional.
- (28) Consumer identification of beef classifications should not be developed until the classification of beef is well advanced.
- (29) Carcass weighing in abattoirs throughout New South Wales be performed on automatic weighing scales.
- (30) Carcass weight be legally defined on a hot weight basis for all measurements and transactions.
- (31) The Meat Inspection Service, Department of Agriculture, be charged with the responsibility of carrying out weight and classification and subsequent identification of carcass meat for local consumption; appropriate charges to be made for its services.
- (32) The Department of Agriculture be responsible for reporting livestock markets in major regional centres, until a market intelligence scheme is introduced by the new Authority.
- (33) The need for a variation in trading hours for uncooked red meat and butchers' goods be investigated.

### CONCLUSION

1. Your Committee in its report has dealt with all aspects of the Meat Industry in New South Wales with particular reference to livestock marketing, slaughtering, classification, grading and distribution.
2. It trusts that the information contained in the Minutes of Evidence and in the Recommendations made in this report following careful deliberation will play a vital part in improving the Meat Industry to the benefit of both the producer and the consumer.

### ACKNOWLEDGMENTS

1. Your Committee wishes to acknowledge:
  - (a) The valuable assistance and advice given by Mr P. S. Hill, Chairman of the Metropolitan Meat Industry Board and by Mr T. B. Bullock, Executive Officer, New South Wales Meat Industry Authority.
  - (b) The valuable assistance and advice given by Messrs R. N. Irish, K. W. Gilchrist, R. D. Eastoe, L. Russell and C. Constantine of the Department of Agriculture, Sydney.
  - (c) The willing assistance and co-operation of the Parliamentary Reporting Staff.
  - (d) The efficient services of Mr L. C. Joachim, Clerk of the Committee.

R. A. BREWER, Chairman.

Legislative Assembly Committee Room,  
Parliament House,  
Sydney, New South Wales,  
1 August, 1972.

Section 14A of the Interpretation Act is a "reading down provision" and the effect of such a provision, so far as s. 92 is concerned, is that if it is found that an Act, if it operated in a given set of circumstances, would interfere with the freedom of interstate trade, commerce or intercourse, then it is to be regarded as having no application in these circumstances but, generally speaking, as being fully valid and effectual in all circumstances where there is no interference with the freedom of such trade, commerce or intercourse (cf. *Cam & Sons Pty Ltd v. The Chief Secretary of N.S.W.* (1951) 84 C.L.R. 442 per Dixon, Williams, Webb, Fullagar and Kitto JJ. at p. 454; see also *Ex parte Breen, Re Sneddon* (1968) 88 W.N. (Pt 2) N.S.W. 204 per Sugerman J.A. at pp. 214, 215). If the New South Wales Parliament passed an Act to establish a meat marketing authority then, if a constitutional challenge to the validity of the legislation was launched, the Act would be read and construed in the manner indicated by s. 14A of the Interpretation Act.

I think that it is desirable to emphasize at the outset that a provision such as s. 14A of the Interpretation Act can be of limited utility where a marketing scheme involving compulsory acquisition of a commodity is concerned. Such a scheme may function fairly well if the amount of the commodity excluded from the scheme by the operation of such a provision is not extensive, but if it is extensive then the scheme may prove to be ineffective. Nor must it be overlooked that it is frequently possible for traders to arrange their business in such a way that their transactions to attract the protection of s. 92 with the consequence that the commodity the subject of those transactions is excluded from the compulsory acquisition provisions of the scheme. I am not aware of the extent to which it may be possible for traders in meat to arrange their business in this way, but the extent to which it is may well determine the effectiveness of a marketing scheme of this kind. It is important to bear these considerations in mind when considering any marketing scheme that involves compulsory acquisition of a commodity.

In the absence both of specific legislation and particular factual situations to consider it will, of course, be appreciated that I can only furnish you with general observations. The question whether any act took place in the course of interstate trade would depend on all the facts and circumstances of the particular case. The Courts have not formulated any general test applicable in all cases to determine where interstate trade begins and where it ends or whether the supply or sale of a commodity is in the course of interstate trade; it would, no doubt, be difficult, if not impossible to do so.

While no general test of the type abovementioned has been laid down by authority, general propositions relating to s. 92 were laid down by the Privy Council in *The Commonwealth of Australia v. Bank of N.S.W.* (1950) A.C. 235 at p. 310. Their Lordships there said: ". . . . it seems that two general propositions may be accepted: (1) that regulation of trade, commerce and intercourse among the States is compatible with its absolute freedom, and (2) that s. 92 is violated only when a legislative or executive act operates to restrict such trade, commerce and intercourse directly and immediately as distinct from creating some indirect or consequential impediment which may fairly be regarded as remote". Their Lordships went on to say that "In the application of these general propositions, in determining whether an enactment is regulatory or something more, or whether a restriction is direct or only remote or incidental, there cannot fail to be differences of opinion". Examples were, however, given of laws which were regulatory of inter-state trade. At p. 312 of the judgment their Lordships said that "regulation of trade may clearly take the form of denying certain activities to persons by age or circumstances unfit to perform them, or of excluding from passage across the frontier of a State creatures or things calculated to injure its citizens". It would seem clear that a law designed to protect the public from a health or nutritional hazard would be regulatory in nature and hence compatible with the freedom assured by s. 92. However, I might mention that laws which purport to protect the public health may be found to contravene s. 92 if it cannot be established that they are, in fact, genuine measures dealing with real health hazards. Thus in *The State of Tasmania v. The State of Victoria* (1934-1935) 52 C.L.R. 157 it was held that a proclamation made under a Victorian Act prohibiting the importation of Tasmanian potatoes into Victoria on the ground that such importation would be likely to introduce disease into Victoria was invalid because, inter alia, it conflicted with s. 92. It was the view of Gavan Duffy C.J., Evatt and McTiernan JJ., that "the relation between the introduction of potatoes from Tasmania into the State of Victoria and the spread of any disease in the latter is, on the face of the Act and the proclamation, far too remote and attenuated to warrant the absolute prohibition imposed" (see pp. 168, 169, of the report).

In making my general observations I will, of course, have regard to the proposals submitted for the Select Committee's consideration by the bodies abovementioned. I do not think that it will be necessary to comment on all aspects of the proposals; my remarks will be confined to those submissions which might, if they were accepted and subsequently enacted into law, possibly lead to conflict with s. 92 of the Constitution.



I might first mention that all three organisations envisage the creation of a new authority. The United Farmers and Woolgrowers' Association (which I shall hereafter for the sake of brevity refer to as "the Association") believes that a statutory body should be set up under the Marketing of Primary Products Act, 1927, as amended. The Rural Action Movement (hereafter referred to as "R.A.M.") submits that a statutory authority should be set up under a new Act of Parliament, the authority to be called the "State Meat Authority". The Graziers' Association of New South Wales (hereafter referred to as "the Graziers") recommends that a body to be called the "New South Wales Sheep Meats Marketing Board" should be established by legislation outside the scope of the Marketing of Primary Products Act. If the Association's proposal is accepted and a Meat Marketing Board is constituted pursuant to s. 5 of the Marketing of Primary Products Act, then no conflict would arise with s. 92 of the Constitution. This is because sub-s. (8) of s. 5 of the Marketing of Primary Products Act provides that a proclamation under sub-s. (8) vesting the relevant commodity, which in the case envisaged would be meat or various types of meat, in the Marketing Board "shall not affect any portion of such commodity as is the subject of trade or commerce between the States or as is required by the producers thereof for the purposes of trade or commerce between the States or intended by the producers thereof to be used for such trade or commerce". The words I have just quoted are also contained in the (Vic.) Marketing of Primary Products Act 1935 and were considered by the High Court in *Matthews v. The Chicory Marketing Board of Victoria* (1938) 60 C.L.R. 263. After quoting the subject words, Starke J. at p. 283 said: "The effect of the section is to remove from the operation of the Act any portion of a proclaimed commodity that a producer desires to engage in inter-State trade. The object of the section is to avoid any contravention of sec. 92 of the Constitution. And it should be construed so as to give effect to that intention. Consequently, the provision is coextensive with the requirement of the Constitution and enacts in effect that trade, commerce and intercourse among the States in respect of the proclaimed commodity shall be absolutely free. It thus leaves the producers and the commodity free to pass the frontiers of the States and to engage and be engaged in inter-State trade without any hindrance or restriction so far as the Act is concerned (*James v. The Commonwealth* (1936) A.C. 578). The Act does not, therefore, contravene sec. 92 of the Constitution". It will be realised then that the effect of a provision such as sub-s. (8) of s. 5 of the Marketing of Primary Products Act on a marketing scheme is substantially the same as that of s. 14A of the Interpretation Act. And it may be that the Association does not realise the precise effect the exemptive provisions of sub-s. (8) of s. 5 could have on their proposals; true it is that sub-s. (8) would prevent collision with s. 92 of the Constitution but only at the cost of placing outside the legislative marketing scheme all meat that is the subject of inter-state trade, including meat that is deliberately made the subject of inter-state trade with the express purpose of attracting the protection of s. 92; and the scheme, with this meat excluded, may be a very different scheme from that intended.

As mentioned above, the question whether any particular act took place in the course of inter-state trade would depend upon the facts and circumstances of the case and only in an actual case could one determine whether or not a particular portion of a commodity was unaffected by a proclamation made under sub-s. (8) of s. 5 of the Marketing of Primary Products Act because it was "the subject of trade or commerce between the States". This, of course, means that the administrators of the scheme would be continually faced with the practical difficulty of knowing whether or not any particular portion of the commodity is subject to the scheme, and the question would in many cases not be an easy one to answer. However, by way of general comment it may be said that just because a commodity is brought over the border from another State into New South Wales it does not follow that all subsequent sales of that commodity in New South Wales are inter-state transactions or part of inter-state transactions; at the point of time when a particular sale is made it may be found that the inter-state trade has come to an end and that it can be said that the sale is merely part of the domestic trade of New South Wales. Such a sale may lawfully be prohibited or be made subject to stringent conditions by State law without provoking a conflict with s. 92. Everything would depend upon the way the trade in the commodity was arranged. If, for example, Victorian meat was purchased from a Victorian producer by a New South Wales wholesaler and, after being conveyed to the wholesaler, was then sold by him to a meat retailer, the sale to the retailer would not, generally speaking and in the absence of some special circumstances or stipulation in the contract, be a sale in inter-state trade; it would be a purely intra-state transaction (cf. *Wragg v. The State of New South Wales* (1953) 88 C.L.R. 353). I must add that the opinion which I have just expressed cannot be advanced with the same confidence today as it could have been some years ago. The view is held by the present Chief Justice of the High Court that "no law, State or Commonwealth, can prohibit the sale by the importer of goods imported by him for sale from one State to another, no considerations being present which would justify the conclusion that the law is no more than regulatory in the relevant sense" (*S.O.S. (Mowbray) Pty Ltd v. Mead* (1972) at p. 7 of the Chief Justice's reasons for judgment; unreported at date of writing). However, the Chief Justice's view is, at present, a minority one.

A sale of meat in New South Wales under a contract which requires the vendor, whether expressly or by necessary implication and whether the vendor was the producer of the meat or not, to import the meat from Victoria and deliver it to the purchaser in New South Wales would, again generally speaking, be a sale in inter-state trade (cf. *W. & A. McArthur Ltd v. The State of Queensland* (1920) 28 C.L.R. 530, discussed by Taylor J. in *Wragg's Case* (supra) at pp. 394 et seq.). It may also be that a sale in New South Wales of meat would properly be regarded as a sale in inter-state trade if it was in the contemplation of the parties that, in the ordinary course of business, the meat would be produced or procured by the vendor in, and imported from, Victoria, even though there was no contractual obligation in that regard (cf. *Wilcox Mofflin Ltd v. The State of New South Wales* (1951-1952) 85 C.L.R. 488 per Dixon, McTiernan and Fullager JJ. at pp. 519, 520). And no doubt persons wishing to avoid the operation of a marketing scheme would, so far as possible, arrange their transactions in such a way as to bring them within the scope of the principles just stated.

As I have said I think that it is impossible to formulate any test which could be applied in all cases for the purpose of deciding whether a sale of meat in New South Wales was a sale in inter-state trade and therefore protected by s. 92. And as I have also said and as will be seen from the examples mentioned above, it would undoubtedly be possible to enter into contracts for the sale of meat so as to take advantage of the freedom assured by the section. If the view of the Chief Justice should prevail in future cases involving the operation of s. 92, it would appear that no law could prevent a major food retailer, such as an operator of a chain of food stores, from importing into New South Wales commodities produced in another State and selling the commodities, provided they were fit for human consumption, through its retailing outlets.

The next point I might mention is the recommendation advanced by R.A.M. that the proposed Authority should "acquire all sheep, cattle, and pig carcasses on the hook at specified abattoirs following inspection, weighing, and grading". It is the view of R.A.M. that "complete acquisition is vitally necessary". In contrast to this view, the Graziers advance the submission that meat should not be acquired by the proposed Authority. I am not aware whether the Association realizes that the relevant provisions of the Marketing of Primary Products Act would apply which, as I have mentioned, exclude such portions of the relevant commodity as are the subject of trade or commerce between the States or as are required by producers for the purposes of such trade or are intended to be used for such trade. So far as the point under discussion is concerned, the submission made by R.A.M. would, unless subject to similar exclusion, conflict with s. 92; "complete acquisition" however "vitally necessary" is just not compatible with s. 92 if traders choose to avail themselves of the protection guaranteed by the section. A law which purports to compel a producer of a commodity to dispose of his commodity to a statutory body or which automatically divests him of his property in the commodity in favour of a statutory body could not validly operate so as to infringe the liberty of the producer to dispose of his commodity in interstate commerce (cf. *The Peanut Board v. The Rockhampton Harbour Board* (1932-1933) 48 C.L.R. 266, per Dixon J. (as he then was) at p. 288; *Field Peas Marketing Board (Tas.) v. Clements and Marshall Pty Ltd* (1947-1948) 76 C.L.R. 414, per Dixon J. (as he then was) at p. 424; *Wilcox Mofflin Ltd v. The State of New South Wales* (1951-1952) 85 C.L.R. 488 per Dixon, McTiernan, and Fullager JJ. at p. 516). However, as their Honours pointed out in *Wilcox Mofflin's Case*, s. 92 does not have the effect of rendering invalid every expropriation of a vendible commodity simply because it deprives the owners of property which otherwise they might venture in inter-state commerce. Section 92 confers an immunity from interference upon acts and transactions of a given description not upon ownership. Their Honours said further, with reference to marketing schemes, at p. 516 that "The important thing is to see what the marketing plan does in the restriction of inter-State commerce, and to keep steadily in mind that only the freedom of trade, commerce, and intercourse between the States is the concern of s. 92, not freedom of commercial dealing, freedom of choice between one course of trade and another or any other liberty. It has been said before that it was part of the purposes of s. 92 to remove from the possibility of legislative and governmental restriction activities conducted across State boundaries and to do so rather because of their inter-State character than of any special claim to immunity from interference that particular activities might have except their inter-State character. It is easy to slip into the error of treating commercial dealings as having a special claim to immunity as such and of regarding the requirement that they shall be or perhaps include inter-State transactions as nothing but a further condition of the application, or a restriction upon the operation, of the immunity. The important thing therefore is to exclude from consideration any operation of a marketing plan except its bearing upon inter-State transactions". A commodity which is actually in the course of inter-state trade would be outside the scope of a compulsory acquisition scheme and there may, depending upon the circumstances, be other cases where s. 92 would prevent the acquisition of a commodity even though, at the time the acquisition took place, the commodity

had not become the subject of inter-state commerce. Only subject to the exceptions just mentioned could all produce within the State be lawfully acquired pursuant to some legislative scheme of compulsory acquisition; and even if complete acquisition is considered vitally necessary, nevertheless acquisition must be subject to those exceptions.

The next point to be considered is the question of "price schedules". In the submissions of the Association it is recommended that the proposed authority should "publish periodical schedules of prices on a weight and grade basis for all grades of lamb and mutton. The schedules would be on a weekly or fortnightly basis, and the Authority would pay those schedule prices for all lamb and mutton coming under its control". However, if a Marketing Board is established under the Marketing of Primary Products Act, as the Association submits it should be, then the provisions of that Act will control the Board's activities. Section 14 of that Act governs the question of payments to producers. It might perhaps be desirable to point out that if a Marketing Board is constituted under the Marketing of Primary Products Act then obviously the provisions of that Act will control everything the Board does. If the Committee considers the provisions of that Act unsatisfactory in various respects when considered in relation to the meat industry then no doubt, if it is considered desirable to establish an authority to control meat marketing, consideration would be given to the enactment of a new Act of Parliament. The view of the Graziers is that the proposed authority should "publish periodical schedules of prices on a weight and grade basis which should be indicative rather than binding". I do not think that such a proposal, if enacted into law, would lead to any conflict with s. 92. The submission made by R.A.M. on the point under discussion is that "a published schedule of prices shall be drawn up by the Authority and shall be adjusted according to prices (both export and domestic) and costs (killing, chilling, freight, administration) and shall be the price paid to the owners of the stock". I do not see any legal objection to this submission because the stock acquired by the authority on a compulsory basis, for which payment would be made to the former owners, would not be all stock as contemplated by R.A.M., but such stock only as was not, at the time of acquisition, in the course of interstate trade and, accordingly, s. 92 would be irrelevant. In other words, this submission of R.A.M. turns out to be unobjectionable simply because its main submission that "complete acquisition is vitally necessary" is not legally possible.

Both R.A.M. and the Association recommend that the proposed authority should have the power to license the slaughter of animals. I am not certain what is intended by this recommendation but if it means no more than that a proposed authority be vested with the powers relating to slaughter houses now vested in and exercised by various bodies under the law of New South Wales I see no objection to it so far as s. 92 is concerned.

A further matter which should be mentioned is the question of the regulation of production to which the submissions of all three organizations make reference. The submissions do not, however, indicate the manner in which such regulation is to be achieved. I am not, of course, aware of what the organizations may have in contemplation, but it may be that regulation of production could be achieved and is envisaged by the organizations as being achieved by restricting the number of animals which could be slaughtered in licensed slaughter houses. This, of course, could have no effect on the flow of meat into New South Wales in the course of interstate commerce, although if other States similarly restricted the number of animals which could be slaughtered within their boundaries such trade might diminish in volume. In certain cases restrictions on production of a commodity, that is, restrictions on the bringing into existence of a commodity, may not infringe s. 92 even though it may be intended that the commodity, when brought into existence, will be the subject of interstate trade: *Beal v. Marrickville Margarine Pty Ltd* (1965-1966) 114 C.L.R. 283; cf. *Re Readers' Digest Association Pty Ltd* (1969) A.L.R. 417 per Kitto J. at p. 435; this is because the courts have regarded the manufacture of the commodity as being preliminary to the interstate trade. Prima facie, then, a restriction on the number of animals that may be slaughtered might be considered to raise no conflict with s. 92, but no confident answer could be attempted without knowing the nature and extent of the restrictions that would be imposed, that is, a final answer could only be given after consideration of the detailed provisions that will emerge when an attempt is made to translate general proposals into a practical working scheme. It may be that the position would be different if the real purpose of a law, which masquerades as a law restricting the production of a commodity, is to restrict or impede genuine interstate transactions; but it is rather fruitless to consider this matter in the abstract part from the detailed facts of a specific case. It must also be borne in mind that while s. 92 protects an interstate trader from interference, by legislative or executive action, with his interstate trade, it does not require the State to facilitate his trade by providing facilities for the slaughter of his stock or in any other way; on the other hand, if facilities are provided for any reason, including a reason totally unconnected with interstate trade, they must not be used to hinder or impede a person in carrying on interstate trade and commerce.

Another point is the submission made by R.A.M. that the proposed authority be given the power to reject stock at the point of delivery if, in its opinion, the stock are unsuitable for slaughter or likely to affect the hygienic standards of the abattoirs. A similar submission made by the graziers is that the proposed authority should be empowered to "remove sub-standard lambs from the carcass trade for manufacturing purposes". If these proposals can be demonstrated to the courts as being genuine public health measures they would not, I think, if enacted into law, be found to conflict with s. 92 even if they directly prohibited interstate commerce because they would be regarded as laws of a regulatory nature. In the case of the proposal made by R.A.M. it may be that the rejection would take place prior to the entry of the meat into commerce and, accordingly, a law embodying the proposal would not burden interstate trade even should it be regarded as non-regulatory; but traders wishing to attract the protection of s. 92 may be able to so arrange their business that the rejection takes place after a genuine interstate transaction has been entered into. In the case of the graziers' proposal, it is not clear at what stage the substandard lamb would be removed from the carcass trade. But in either case if it was removed during the course of interstate trade, the removal would only be lawful if the law authorizing such action was regulatory as a genuine public health measure.

I note that included in the submissions made by R.A.M. is a recommendation that meat "landed in New South Wales from outside sources" should be subjected "to rigorous inspection". I assume that this recommendation is also in the nature of, and can be justified as, a genuine public health measure and accordingly, on that assumption, I think that a law authorizing an inspection of the product, whether or not it was in the course of interstate trade at the time of the inspection, would be valid as a regulatory law.

I think that the only remaining matter in respect of which comment might be made, is a recommendation by R.A.M. that the proposed authority should be entitled to impose a levy on meat sold to either wholesalers or retailers. Generally speaking, a levy imposed by an authority, pursuant to State law, on a commodity not owned by that authority would be an excise tax and accordingly, because of s. 90 of the Constitution, beyond the power of a State legislature to impose. However, if legislative effect is given to the scheme envisaged in R.A.M.'s proposals and the meat is accordingly acquired by the authority to the extent to which it can, compatibly with the freedom guaranteed by s. 92, be so acquired, such a "levy" on the meat so acquired would really be simply part of the price that purchasers of meat from the authority would pay and accordingly it would not be illegal.

I might add that the existence or otherwise of meat marketing authorities in other States of the Commonwealth would not affect the operation of s. 92, although there may, of course, be practical or economic advantages likely to flow from their creation. Whether or not such authorities exist, interstate trade, commerce and intercourse in meat can only be affected by regulatory laws of the kind indicated above.

It may be useful to repeat here that any marketing scheme involving the compulsory acquisition of a commodity must contain an exclusion in favour of interstate trade if it is not to conflict with s. 92, that is, complete acquisition of the commodity is only possible if none of it is the subject of interstate trade; but if any part of it is the subject of that trade, even if made part of that trade with the express intent of taking it out of the marketing scheme, then that part cannot be compulsorily acquired under the scheme. Such a scheme may prove ineffective because of the exclusion in favour of interstate trade or have an operation quite different from that which it would have if the whole of the commodity could be acquired. If a scheme is unpopular with a significant section of the traders in the commodity s. 92 might be made use of in an attempt to escape the net cast by the scheme. Moreover there is always the practical difficulty of knowing whether particular portions of the commodity are or are not the subject of interstate trade and accordingly acquired or not acquired under the scheme.

I might also repeat my earlier comments that in the absence of specific legislation and a particular set of facts the advice which can be furnished must necessarily be of a general nature and, accordingly, of limited value. The difficulties are enhanced by the fact that what some years back were thought to be fairly well established principles to be applied to the construction of s. 92, cannot today be relied upon with quite the same degree of confidence, especially as the composition of the High Court, which has the final say on the meaning and effect of s. 92, has recently undergone a dramatic change. Accordingly my advice has, of necessity, been cast in general form and I do not think, in the circumstances, that there are any further matters to which I can usefully refer.

Yours faithfully,

R. J. McKAY, Crown Solicitor.

## APPENDIX "E"

## VARIATION IN LAMB PRICES AT AUCTION

A total variation of 31 per cent  $\frac{1.55}{4.91}$  was found for four replicated groups of lambs offered for sale at varying times on the same selling day.

In two of the four offerings (50 per cent) there was no obvious competition to a single bid.

## The Wagga Sheep Auction System:

At the time of this study the Wagga Associated Selling Agents, in conjunction with the City Council, had developed the following system.

All sheep and lambs intended for offer at a weekly Thursday sale, were to be notified or "booked in" with a selling agent before 10 a.m. on the Wednesday preceding the sale (i.e. 24 hours). At this time, the agents would conduct a ballot for place in the selling roster (the "draw"). At the time of the ballot each agent was also allocated a number of minutes in which to sell his stock. This was based on the approximate rate of 200 to 230 per minute. If an agent had not sold all the animals he had penned, by the end of his allocated time, he was permitted to offer the unsold stock as "over-run" at the end of the day.

Many producers were not notifying their agents of stock to be offered until *after* the selling draw had been made. There had always been a small core of people following this practice, but it increased remarkably in 1971 when total numbers of stock yarded reached record levels. The rationale in the practice was the belief that prices were at a low point early and late in the scale.

## Treatments:

Four groups of lambs were offered, one to each of four selling agents. Agents were "notified" prior to the draw, to obtain a random time of offering.

## Sheep Auction Sale—Thursday, 21st October, 1971

## Agents Selling Roster

Place in draw	Number offered	Time allocated Minutes
Dalgety N.Z.L. .. .. .	16,500	74
H. Francis .. .. .	7,000	30
Australian Estates .. .. .	5,000	22
Elders G. M. .. .. .	2,400	11
R. Blake .. .. .	4,500	20
A.M.L. .. .. .	7,000	30
Younghusband .. .. .	12,000	52
F. & G. .. .. .	2,800	12
Green .. .. .	1,000	5
	58,200	

## Wagga Agricultural College Sheep Sample:

W.A.C. offered sucker lambs for sale. These were divided into four equal groups, with an average live weight of 74 lb, and weight range from 64 lb to 84 lb. Weights were recorded on Wednesday, 20th, 24 hours prior to sale. All groups were transported to the saleyards at 1.30 p.m. on the Wednesday afternoon. Twenty (20) points of rain fell overnight. The first pen of lambs sold were still obviously damp when sold, others were dry by the time they were auctioned.

A fifth group of lambs were offered, but this group with a live weight range of 5 to 15 lb lighter than the lightest lamb in the trial groups, was not replicated.

## Wagga Agricultural College Sale Results:

Selling agent	Time sold	No. of lambs	Opening bid	Selling price
H. Francis .. .. .	11.25 a.m.	47	\$ 4.20*	\$ 4.20
A. Estates .. .. .	11.55 a.m.	44	5.20	5.75
Elders G. M. .. .. .	12.20 p.m.	43	4.70	4.95
F. & G. .. .. .	3.25 p.m.	43	4.80*	4.80
Non trial, lightweight F. & G.	3.30 p.m.	53	2.90	4.15

\* Single bid.

PROCEEDINGS OF THE SELECT COMMITTEE OF THE  
LEGISLATIVE ASSEMBLY UPON THE MEAT  
INDUSTRY

WEDNESDAY, 25 AUGUST, 1971

At Parliament House at 6 p.m.

MEMBERS PRESENT:

Mr BREWER	Mr MACKIE
Mr CRAWFORD	Mr MUTTON
Mr FISHER	Mr NOTT
Mr GORDON	Mr OSBORNE
Mr KEARNS	Mr RENSHAW

Mr R. E. Ward the Clerk Assistant, informed the Committee that Mr L. C. Joachim had been appointed Clerk to the Committee vice Mr F. A. Mahony.

Entry No. 7 from Votes and Proceedings No. 9 of the Legislative Assembly, for Tuesday, 24 August, 1971, was read. (Appointment of Committee and terms of inquiry.)

On the motion of Mr Renshaw seconded by Mr Crawford, Mr Brewer was called to the Chair and thereupon made his acknowledgements to the Committee.

*Resolved*, on the motion of Mr Fisher, seconded by Mr Mackie: That arrangements for the calling of witnesses and visits of inspections be left in the hands of the Chairman and the Clerk of the Committee.

*Resolved*, on the motion of Mr Crawford, seconded by Mr Kearns: That, unless otherwise ordered, parties appearing before the Committee shall not be represented by any member of the legal profession.

*Resolved*, on the motion of Mr Nott, seconded by Mr Mackie: That, unless otherwise ordered, the press and the public (including witnesses after examination) be admitted to the sittings of the Committee.

*Resolved*, on the motion of Mr Crawford, seconded by Mr Kearns: That, departmental officers and specialists in the meat and allied industries, be invited to assist the Chairman.

*Resolved*, on the motion of Mr Mutton, seconded by Mr Gordon: That press statements concerning this Committee be made only by the Chairman.

*Resolved*, on the motion of Mr Crawford, seconded by Mr Osborne: That, unless otherwise ordered, transcripts of evidence taken by the Committee be not made available to any person, body, or organization: provided that witnesses previously examined shall be given a copy of their evidence.

*Resolved*, on the motion of Mr Gordon, seconded by Mr Mackie: That the Chairman and the Clerk of the Committee be empowered to negotiate with the Treasurer for the provision of funds to meet expenses in connection with travel, accommodation and other approved incidental expenses.

*Resolved*, on the motion of Mr Crawford, seconded by Mr Mackie: That this Committee request the Treasurer to approve payment of the following:

- (i) A daily allowance to each Member when he attends a meeting of the Committee and for each day he is present at an official visit of inspection.
- (ii) Air travel for visits of inspection when other modes of transport are impracticable.
- (iii) Air travel between electoral district and Sydney for Mr Brewer, Mr Crawford, Mr Fisher, Mr Gordon, Mr Mackie, Mr Osborne, Mr Nott and Mr Renshaw when necessary, for the purpose of attending meetings of the Committee.

*Resolved*, on the motion of Mr Kearns, seconded by Mr Osborne: That the Clerk be empowered to write to interested parties requesting written submissions within the Terms of Reference.

*Resolved*, on the motion of Mr Renshaw, seconded by Mr Osborne: That the Chairman and Clerk examine suitable document cases to be purchased for Members and the Clerk.

The Committee deliberated.

The Committee adjourned at Forty-five minutes past Six p.m., until Tuesday, 7 September, 1971, at Eight p.m.

TUESDAY, 7 SEPTEMBER, 1971

At Parliament House at 8 p.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr CRAWFORD	Mr MACKIE
Mr FISHER	Mr MUTTON
Mr GORDON	Mr NOTT
Mr KEARNS	Mr OSBORNE
Mr RENSHAW	

The Minutes of the previous meeting were read and confirmed.

Correspondence was read and received.

*Resolved*, on the motion of Mr Crawford, seconded by Mr Fisher: That the organizations listed by the Minister for Agriculture and by Mr Kearns, M.L.A., as shown on the Agenda, be invited by letter to make a submission to the Committee within the terms of reference of its inquiry.

*Resolved*, on the motion of Mr Mutton, seconded by Mr Nott: That the following companies and authorities be also invited by letter to make submissions to the Committee within the terms of reference of its inquiry:

- (1) Messrs A. J. Bush and Sons Pty Limited, 67 Railway Parade, Marrickville, N.S.W.
- (2) Charles David Pty Limited, 477 Hunter Street, Newcastle, N.S.W.
- (3) MacPherson Brothers Pty Limited, Meat Hall, Homebush, N.S.W.
- (4) John Hooten Pty Limited, Jardine Street, Kingston, Canberra, A.C.T.
- (5) All Council and County Council controlled abattoirs.

*Resolved*, on the motion of Mr Crawford, seconded by Mr Mutton: That the list of names of organizations supplied by Mr P. S. Hill, Chairman of the Metropolitan Meat Industry Board, be held in reserve for further consideration, but that the following organizations listed be written to immediately and invited to place their submissions before the Committee:

- (1) Local Government Association of New South Wales.
- (2) The Department of Agriculture.
- (3) The Police Department (Stock Squad).
- (4) The Primary Producers' Union.
- (5) Stock and Station Agents' Association of New South Wales.
- (6) Wholesale Meat Traders' Association.
- (7) Meat Industry Authority of New South Wales.
- (8) New South Wales Lamb Committee.

*Resolved*, on the motion of Mr Nott, seconded by Mr Kearns: That the draft letter to be issued to various organizations be amended, at the discretion of the Chairman and the Clerk of the Committee, to ask each recipient organization to please advise of the name, address and telephone number of the person nominated to elaborate, if necessary, on the organization's submission.

*Resolved*, on the motion of Mr Nott, seconded by Mr Osborne: That the Secretary, Meat Industry Committee, Parliament of Victoria, be thanked for his letter of 1 September, 1971, and asked for copies of that Committee's interim reports so that a close understanding may be had of experience already gained; the Secretary to be also informed that our Committee Members expressed the hope of both Committees meeting at a future date for discussions, the date of joint discussion to be determined by the Committee's Chairman and Clerk.

*Resolved*, on the motion of Mr Osborne, seconded by Mr Nott: That Professor N. T. M. Yeates, Department of Livestock Husbandry, The University of New England, be informed that the Committee is keenly interested in inspecting the beef grading and branding trial commenced in Armidale, also the meat works at Guyra, and that arrangements be made for the Committee to so proceed; a tentative itinerary to be circulated to Members before the next meeting.

The Committee deliberated.

At the request of the Chairman, the following papers were distributed at this juncture:

- (1) Report to the Council of the Graziers' Association of Riverina by its Meat Industry Sub-Committee.
- (2) Motions adopted by Annual Conference of the Graziers' Association of Riverina.

The Committee adjourned at Fifty-five minutes past Nine p.m. until Tuesday, 14 September, 1971, at Eight p.m.

TUESDAY, 14 SEPTEMBER, 1971.

At Parliament House at 8.00 p.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr CRAWFORD  
Mr FISHER  
Mr GORDON  
Mr KEARNS

Mr RENSHAW

Mr MACKIE  
Mr MUTTON  
Mr NOTT  
Mr OSBORNE

The Minutes of the previous meeting were read and confirmed.

*Resolved*, on the motion of Mr Nott, seconded by Mr Mutton: That a Member be not regarded as absent from a meeting of the Committee if he is present that day at a sitting of the House.

*Resolved*, on the motion of Mr Fisher, seconded by Mr Mutton: That the interim report by Professor N. T. M. Yeates and C. R. Luckock on beef carcass grading be accepted as read and received.

*Resolved*, on the motion of Mr Kearns, seconded by Mr Mutton: That paragraph (6) of the proposed itinerary of the Committee's visit to Armidale be enlarged to ascertain consumer reaction and acceptability of the sale of graded meat; the Armidale Press to be asked to publish a further statement to the effect that the Committee would welcome discussions at the University with members of the public who purchased graded meat from the two retail outlets in Armidale.

*Resolved*, on the motion of Mr Kearns, seconded by Mr Mackie: That the itinerary as amended be approved.

*Resolved*, on the motion of Mr Mackie, seconded by Mr Gordon: That Donga Meats Ltd., Kelly Street, Wodonga, Victoria, (Mr Kevin Bowtell, Manager) be invited to make a submission to the Committee within its terms of reference: the Company to be also advised that the Committee is desirous of visiting Donga Meats Ltd at a later date.

*Resolved*, on the motion of Mr Nott, seconded by Mr Fisher: That future general press statements include the names of all Members of the Committee and that individual names of Members visiting on inspection be not itemised; such statements to be phrased to the effect that the Chairman will be accompanied on visits of inspection by a specific number of Members.

The Committee deliberated.

The Committee adjourned at Nine p.m. until Tuesday, 21 September, 1971, at Eight p.m.



TUESDAY, 21 SEPTEMBER, 1971.

At Parliament House at 8.00 p.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr CRAWFORD		Mr MACKIE
Mr FISHER		Mr MUTTON
Mr GORDON		Mr NOTT
Mr KEARNS		Mr OSBORNE

Mr RENSHAW

The Minutes of the previous meeting were read and confirmed.

*Resolved*, on the motion of Mr Osborne, seconded by Mr Mutton: That discussion on the Armidale-Guyra visit be held in abeyance until all Members of the Committee have had time to study the prepared statement by Professor Yeates on the grading and branding of beef carcasses.

*Visits of Inspection*: Agreed that a visit of inspection to Homebush Abattoir be arranged for Monday, 27 September, at 10.00 a.m., and that arrangements be made for the Committee to travel by plane to visit Abattoirs at Cannon Hill and the North Coast on 5th, 6th and 7th October, 1971; arrangements to be discussed at the Committee's next meeting on 28 September, 1971.

*Resolved*, on the motion of Mr Kearns, seconded by Mr Mutton: That the Riverstone Meatworks be inspected on Monday, 18 October, 1971.

*Resolved*, on the motion of Mr Crawford, seconded by Mr Kearns: That the Secretary, Bankstown Branch, Campaign Against Rising Prices, be thanked for her letter of 20 September, 1971, and invited to make a submission to the Committee; also, that Messrs Fletcher and Pickett (Mr H. Pickett, Managing Director) P.O. Box 15, Homebush, be invited to make a submission to the Committee.

The Committee adjourned at Thirty-three minutes past Nine p.m. until Monday, 27 September, 1971, at Ten a.m.

MONDAY, 27 SEPTEMBER, 1971.

At the Metropolitan Meat Industry Board State Abattoir and Meatworks, Homebush, at 10.00 a.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr CRAWFORD		Mr MUTTON
Mr GORDON		Mr NOTT
Mr KEARNS		Mr RENSHAW

Apologies were received from Messrs Fisher, Mackie and Osborne.

By arrangement with the Metropolitan Meat Industry Board, the Committee visited the State Abattoir and Sale Yards making an all day inspection of the following procedures:

- Livestock selling.
- Live weighing of cattle.
- Chain operation of carcasses.
- Offal treatment.
- Chilling and freezing of meat.

The Committee commenced discussions in the Board Room at 3.10 p.m. with Mr P. S. Hill, Chairman of the Metropolitan Meat Industry Board and Mr A Brownlee, a Member of the Board.

Apologies were received from Mr L. E. Uhrig, a Board Member, who was absent on leave.

The Committee adjourned at Forty minutes past Four p.m. until Tuesday, 28 September, 1971, at Eight p.m.

TUESDAY, 28 SEPTEMBER, 1971

At Parliament House at 8.00 p.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr CRAWFORD

Mr FISHER

Mr GORDON

Mr KEARNS

Mr MACKIE

Mr MUTTON

Mr NOTT

Mr OSBORNE

Mr RENSHAW

The Minutes of the previous meeting were read and confirmed.

*Resolved*, on the motion of Mr Mackie, seconded by Mr Mutton: That discussions on the inspection of beef grading and branding initiated by Professor Yeates be deferred until other systems of meat classification have been examined.

*Correspondence*: Letter numbered (8) from the Graziers Association of New South Wales, Clarence River Branch Local Committee, Grafton; circulated to Members. Letter numbered (9) from Donga Meats Limited; circulated to Members.

*Resolved*, on the motion of Mr Kearns, seconded by Mr Mackie: That the Clarence River Branch Local Committee be thanked for its letter of 13 September, 1971, concerning the Charles System of meat classification and informed that the Committee will be pleased to meet any representative from the Branch for discussions at the City Hall on the afternoon of Thursday, 7 October, 1971; the fact that the parent body of that Committee was already invited to make a submission to the Board to be mentioned in the reply.

Also, that Donga Meats Ltd be thanked for its letter of 20 September, 1971, advising that the Company will be pleased to welcome the Committee at any time.

*Resolved*, on the motion of Mr Renshaw, seconded by Mr Fisher: That the Minister for Agriculture be asked to update the 1969 Report of the New South Wales Meat Industry Advisory Committee upon certain aspects of the Meat Industry (ordered to be printed, 16 October, 1969), so that the Select Committee Upon the Meat Industry could have a basis for the comparison of current wholesale and retail prices in the meat industry.

*Resolved*, on the motion of Mr Osborne, seconded by Mr Mutton: That Professor Yeates be informed that the request proposed to be made by him to the Minister for Agriculture to have the meat grading trial extended:

“(a) in time (i.e. beyond the present three months for beef) and,

(b) to include lamb and hogget”

will have the support of the Committee; Professor Yeates to be asked to advise the Committee when the request is made.

The Committee deliberated.

The Committee adjourned at Twenty-five minutes past Nine p.m. until Tuesday, 5th October, 1971, at Ten a.m.

TUESDAY, 5 OCTOBER, 1971

In Brisbane, Queensland, at 10.00 a.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr FISHER

Mr GORDON

Mr KEARNS

Mr MACKIE

Mr MUTTON

Mr OSBORNE

Mr RENSHAW

Apologies were received from Messrs Crawford and Nott.

The Committee, accompanied by officers of the Metropolitan Public Abattoir Board, Cannon Hill, proceeded to the Abattoir and were met on arrival by the Chairman, Mr C. H. Curtis, C.V.O., I.S.O., and the General Manager, Mr F. O'Boyle.

The operation of the Abattoir and its procedures were examined by the Committee until 1.00 p.m.

At 2.00 p.m. the Committee proceeded to the C.S.I.R.O. Division of Food Research and were met on arrival by Dr W. J. Scott, Assistant Chief of the Division of Food Research. Following an inspection of the laboratory, discussions were held with C.S.I.R.O. Technical Personnel on meat research carried out in the laboratory.

The Committee adjourned to entrain for Casino at Twenty minutes past Four p.m.

WEDNESDAY, 6 OCTOBER, 1971

In Casino, New South Wales, at 9.00 a.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr FISHER  
Mr GORDON  
Mr KEARNS

Mr MACKIE  
Mr MUTTON  
Mr OSBORNE

Mr RENSHAW

Apologies were received from Messrs Crawford and Nott.

The Committee, accompanied by officers of the Northern Co-operative Meat Company Limited, Casino, proceeded to the Abattoir and were met on arrival by the Chairman, Mr R. L. Nicholls, and the Joint Managers, Messrs A. S. Naphali and K. F. Gooley.

The operation of the Abattoir and its procedures were examined by the Committee and discussions thereon were held with the Chairman and the two Joint Managers.

The Committee continued discussions at 2.30 p.m. at the Casino Bowling Club Building and adjourned at Four p.m. to proceed by car to Grafton.

THURSDAY, 7 OCTOBER, 1971

In Grafton, New South Wales, at 7.00 a.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr GORDON  
Mr KEARNS

Mr MACKIE  
Mr MUTTON

Mr OSBORNE

Apologies were received from Messrs Crawford, Fisher, Nott and Renshaw.

The Committee, accompanied by Dr Costello, Chairman of the Clarence River Co-operative Meat Society Limited, and Mr N. O. Austen, a grazier of Richmond Road, Grafton, proceeded to Mr Austen's property and observed a demonstration of the lot feeding of livestock for the production of quality beef.

The Committee deliberated.

Noel Oscar Austen, Grazier, Richmond Road, Grafton, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

The Committee then proceeded to the Abattoir and premises of the Clarence River Co-operative Meat Society Limited and were met by the Chairman, the Works Manager and Staff.

The operation of the Abattoir and its procedures were thereupon examined by the Committee.

Evidence was taken from the following witnesses in the Board Room of the Society:

John Harry McCooey, Works Manager, Clarence River Co-operative Meat Society Limited, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Wayne Cannon, Beef Classifier, (also employed as a clerk in the Society's office) called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Dr William Thomas Costello, Chairman of the Society's Board of Directors, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Arthur George Moran, Secretary to the Society's Board of Directors, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Allan Geoffrey Page, a Grazier and Member of the Board of Directors, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

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The Committee thereupon proceeded to Grafton City Council Chambers, Grafton, for the taking of further evidence.

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Douglas Henry Badgery, Farmer and Grazier, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Eric Clyde Perkins, Master Butcher, 165 Bent Street, South Grafton, called as a witness, sworn and examined. He presented a list of meat prices in his butcher's shop in August and September, 1971. (Exhibit "A"—not to be printed.)

Evidence concluded, the witness withdrew.

Michael Joseph Moy, Livestock Auctioneer, called as witness, sworn and examined.

Evidence concluded, the witness withdrew.

Benjamin Gordon Whale, Primary Producer, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Richard Sinclair Challacombe, Pig Farmer, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Kevin Bruce Gardiner, Rural Broadcaster for the Australian Broadcasting Commission, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Terrence John McNaughton, Butcher, Carrs Creek, South Grafton, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

The Committee adjourned at Eighteen minutes past Five p.m. until Tuesday, 12 October, 1971, at Thirty minutes past Eight p.m.

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**TUESDAY, 12 OCTOBER, 1971**

At Parliament House at 8.30 p.m.

**MEMBERS PRESENT:**

Mr R. A. BREWER (in the Chair)

Mr CRAWFORD

Mr FISHER

Mr GORDON

Mr KEARNS

Mr MACKIE

Mr MUTTON

Mr NOTT

Mr OSBORNE

Mr RENSHAW

Minutes of the previous meeting and of the Abattoir inspections in Homebush, Brisbane (Cannon Hill), Casino and Grafton, were read and confirmed.

Correspondence was read and received.

A letter dated 21 September, 1971, from the Bathurst Branch Manager, Gordon Edgell Pty Limited, addressed to C. G. Osborne, M.L.A., relating to the Select Committee Upon the Meat Industry in New South Wales was acknowledged by Mr Osborne and referred to the Committee for consideration.

*Resolved*, on the motion of Mr Fisher, seconded by Mr Kearns: That Gordon Edgell Pty Limited be invited to forward a written submission and give evidence to the Committee in Blayney; advice also to be furnished that the Committee will inform Gordon Edgell Pty Limited as soon as the date of the Committee's visit to Blayney Abattoir has been arranged.

*Resolved*, on the motion of Mr Crawford, seconded by Mr Mackie: That a submission be invited from the Union of Australian Women (New South Wales Branch), in response to the Union's request to present a submission to the Committee.

*Resolved*, on the motion of Mr Brewer, seconded by Mr Mutton: That the Manager, Gunnedah Municipal Abattoir, be thanked for his letter of 5 October, 1971, and informed that the Committee will be pleased to accept his invitation to observe the operations of the Abattoir if the opportunity arises at a future date and that, meanwhile, the Committee will be pleased to receive a submission for consideration.

*Resolved*, on the motion of Mr Mackie, seconded by Mr Fisher: That the Chairman, Metropolitan Meat Industry Board, be thanked for his letter of 7 October, 1971, and informed that on account of his considerable experience as an administrator in the meat industry, it is thought that his evidence and advice will be required by the Committee at a future date.

*Resolved*, on the motion of Mr Kearns, seconded by Mr Mutton: That the Managing Director, Conkey & Sons Limited, be thanked for his letter of 8 October, 1971, and informed that the Committee will be pleased to obtain his advice, and the advice of his Company's experts, when arrangements are made for the inspection of the Company's abattoir at Cootamundra at a mutually convenient date.

*Resolved*, on the motion of Mr Mutton, seconded by Mr Renshaw: That the Chairman and Clerk formulate plans for visits of inspection of rural abattoirs in the week commencing 8 November, 1971, and that a report thereon be submitted to the Committee at its next meeting.

*Resolved*, on the motion of Mr Mackie, seconded by Mr Mutton: That confidential information expected to be provided by the Secretary, United Farmers & Woolgrowers' Association, to the Chairman of the Committee be copied and circulated to Members of the Committee; all Members to treat the information as confidential.

*Resolved*, on the motion of Mr Renshaw, seconded by Mr Fisher: That a letter be written to the Department of Agriculture, Western Australia, asking for copies of the Meat Marketing Act, 1970, and any printed information associated with the establishment of the authority under the Act.

*Resolved*, on the motion of Mr Mackie, seconded by Mr Mutton: That a letter be written to the New Zealand Trade Commission, for copies of any Act, Regulation or printed information on the operation of the Lamb Marketing System and pre-determined schedule of lamb prices obtaining in New Zealand.

*Resolved*, on the motion of Mr Mackie, seconded by Mr Fisher: That a letter be written to the South African Embassy, Canberra, asking for any printed information relating to Meat Marketing in South Africa.

The Committee adjourned at Five minutes past Ten p.m. until Monday, 18 October, 1971, at Fifteen minutes past Ten a.m.

**MONDAY, 18 OCTOBER, 1971**

At the Riverstone Meat Company Pty Limited Abattoir at 10.15 a.m.

**MEMBERS PRESENT:**

Mr R. A. BREWER (in the Chair)

Mr FISHER

Mr GORDON

Mr KEARNS

Mr MUTTON

Mr NOTT

Mr OSBORNE

Apologies were received from Messrs Crawford, Mackie, and Renshaw.

The Committee was met on arrival at the Abattoir by the General Manager, Mr P. H. Johnston, and the Works Manager, Mr R. Pascoe.

The operation of the Abattoir and its procedures were thereupon examined by the Committee.

The Committee deliberated.

Evidence was taken from the following witnesses in the Board Room of the Company:

Donald William Henry Nicholls, Senior Meat Inspector, employed in the Riverstone Meat Company Pty Limited, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Peter Harold Johnston, General Manager, Riverstone Meat Company Pty Limited, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Robert Pascoe, Works Manager, Riverstone Meat Company Pty Limited, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

The Committee adjourned at Ten minutes past Four p.m., until Tuesday, 26 October, 1971, at Thirty minutes past Eight p.m.

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TUESDAY, 26 OCTOBER, 1971

At Parliament House at 8.30 p.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr CRAWFORD

Mr FISHER

Mr GORDON

Mr KEARNS

Mr MACKIE

Mr MUTTON

Mr NOTT

Mr OSBORNE

Mr RENSHAW

Minutes of the previous meeting and of the inspection of Riverstone Meat Company Pty Limited were read and confirmed.

Correspondence was read and received.

*Resolved*, on the motion of Mr Gordon, seconded by Mr Mutton: That Mr R. B. Ramsay of Cheviot Hills, Drake, N.S.W., be invited to make a submission to the Committee within its terms of reference in response to his request to do so.

*Resolved*, on the motion of Mr Nott, seconded by Mr Fisher: That the Secretary, The Graziers' Association of Riverina be informed, in reply to his letter of 21 October, 1971, that the submission made by his Association to the Minister for Agriculture will be accepted as a submission to the Committee upon which the Committee will be pleased to take sworn evidence at a later date and incorporate the submission as part of the sworn evidence.

*By direction of the Chairman copies of a submission by the Rural Action Movement were distributed to Members.*

*Resolved*, on the motion of Mr Renshaw, seconded by Mr Gordon: That the submission by the Rural Action Movement (numbered S3) be received.

*Resolved*, on the motion of Mr Nott, seconded by Mr Kearns: That the (ten) parties itemized hereunder be each invited to forward a submission to the Committee; the terms of the letter inviting these submissions to be drafted by the Chairman and presented to the Committee at the next meeting:

- (1) The Australian Meat Exporters' Federal Council,  
Mr P. A. Bartlett, Executive Officer, 30 Grosvenor Street, Sydney, N.S.W. 2000.
- (2) Sir Robert Norman,  
Chief General Manager, Bank of New South Wales, 341 George Street, Sydney, N.S.W. 2000.
- (3) B. B. Callaghan, Esq.,  
Managing Director, Commonwealth Banking Corporation, Martin Place, Sydney, N.S.W. 2000.
- (4) The Secretary,  
Department of Primary Industry, Barton Offices, Macquarie Street, Barton, A.C.T. 2600.
- (5) The Secretary,  
Bureau of Agricultural Economics, Canberra, A.C.T. 2600.
- (6) The Secretary,  
Sydney Wool Selling Brokers' Association, 3rd Floor, 11 Macquarie Place, Sydney, N.S.W. 2000.

- (7) Professor K. O. Campbell,  
Dean, Faculty of Agriculture, University of Sydney, Sydney, N.S.W. 2000.
- (8) The Dean,  
Faculty of Agricultural Economics, University of New England, Armidale,  
N.S.W. 2350.
- (9) Woolworths Limited,  
J. Tidswell, Esq., Commonwealth Meat Manager, 540 George Street, Sydney,  
N.S.W. 2000.
- (10) Professor F. H. Gruen,  
Faculty of Economics, Monash University, Melbourne, Vic. 3000.

The Committee deliberated.

The Committee adjourned at Fifty-five minutes past Nine p.m. until Friday, 29 October, 1971, at Eleven a.m.

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FRIDAY, 29 OCTOBER, 1971

At the Blayney County Council Abattoir at 11.00 a.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr FISHER

Mr KEARNS

Mr MACKIE

Mr MUTTON

Mr OSBORNE

Apologies were received from Messrs Crawford, Gordon, Nott and Renshaw.

The Committee assembled in Parliament House at approximately 7.00 a.m. and journeyed by car to the County Council Abattoir, Blayney, where they were met on arrival by senior staff from the management.

The operation of the sheep chain and associated procedures were thereupon examined by the Committee following which the Committee proceeded to Lyndhurst Shire Council Chambers for the taking of evidence from the following witnesses:

Norman Charles Gardiner, Farmer and Grazier and Chairman of the County Council Abattoir, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

(At this juncture Mr E. G. Thompson, the Shire President, delivered a speech of welcome to the Chairman and Members of the Committee, to which Mr Osborne replied.)

Donald Ian McLean, Shire Clerk of Lyndhurst Shire Council and County Clerk of the Blayney County Council, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Lindsay Donald Stewart, Works Manager, Blayney County Council Abattoir, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Eric Gordon Thompson, the President of Lyndhurst Shire Council and a Farmer and Grazier, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Jack Wilson Bennett of Springmount, via Blayney, Farmer and Grazier, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Charles Stewart Gordon of "Glengowan", Newbridge, Farmer and Grazier, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Harry William Chapman of "Fernside", Barry, via Blayney, Farmer and Grazier, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

The Committee adjourned at Thirty-five minutes past Five p.m. until Tuesday, 2 November, 1971, at Thirty minutes past Eight p.m.

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TUESDAY, 2 NOVEMBER, 1971

At Parliament House at 8.30 p.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr CRAWFORD	Mr MACKIE
Mr FISHER	Mr MUTTON
Mr GORDON	Mr NOTT
Mr KEARNS	Mr OSBORNE

Mr RENSHAW

Minutes of the previous meeting and of the inspection of Blayney County Council Abattoir were read and confirmed.

Correspondence was read and received.

*Resolved*, on the motion of Mr Osborne, seconded by Mr Mackie: That the Committee endeavour to produce by early 1972 an interim report dealing with:

- (1) Identification of lamb, hogget and mutton by dentition and/or grading and branding of sheep meat carcasses.
- (2) Classification and/or grading and branding of beef carcasses.

*Resolved*, on the motion of Mr Fisher, seconded by Mr Mackie: That the despatch of the specially drafted letter proposed to be sent to the ten parties itemized in the minutes of the Committee's meeting on 26 October, 1971, be deferred, and that the standard letter used to invite submissions in all previous cases be despatched to the ten parties abovementioned; Professor Rex Butterfield, Dean of the Faculty of Veterinary Science, University of Sydney, to be also invited to make a submission to the Committee.

The Committee deliberated.

The Committee adjourned at Twenty minutes past Ten p.m., until Monday, 8 November, 1971, at Eleven a.m.

MONDAY, 8 NOVEMBER, 1971

At Thomas Borthwick and Sons' Abattoir, Melbourne, at 11.00 a.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr FISHER	Mr MACKIE
Mr GORDON	Mr MUTTON
Mr KEARNS	Mr NOTT

Mr OSBORNE

Apologies were received from Messrs Crawford and Renshaw.

The Committee assembled in Spencer Street Railway Station, Melbourne, and proceeded to Thomas Borthwick and Sons' Abattoir, where they were met on arrival by the General Manager and Senior Staff.

The operation of the abattoir was thereupon inspected by the Committee and discussions on the meat industry held in the Board Room with Mr Duncan McFarland, General Manager, Mr N. J. Spalding, Deputy General Manager, and Mr Norman McLennan, the Works Manager.

The Committee left the abattoir to proceed to Parliament House, Melbourne, for a reception arranged by the Victorian Branch of the Commonwealth Parliamentary Association. Discussions were then commenced with Members of the Select Committee Upon the Meat Industry in Victoria and the New South Wales Select Committee was welcomed to Victoria by the Honourable S. E. Gleeson, M.L.C., the Chairman of the Committee.

The Committee adjourned at Six p.m., until Tuesday, 9 November, 1971, at One p.m.



*TUESDAY, 9 NOVEMBER, 1971*

At Donga Meatworks, Wodonga, Victoria, at 1.00 p.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr FISHER		Mr MACKIE
Mr GORDON		Mr MUTTON
Mr KEARNS		Mr NOTT
	Mr OSBORNE	

Apologies were received from Messrs Crawford and Renshaw.

The Committee assembled in Spencer Street Railway Station, Melbourne, proceeded by train to Albury; thence by car to Donga Meatworks where they were met on arrival by the General Manager and Senior Staff.

The operation of the Meatworks was thereupon inspected by the Committee and discussions held with the General Manager in his office.

The discussions were concluded at 3.45 p.m. to inspect Uncle Ben's of Australia Pty Limited Petfoods Division at Wodonga. The inspection and discussions with Management were completed at thirty minutes past Five p.m.

The Committee adjourned until Wednesday, 10 November, 1971, at Fifteen minutes past Nine a.m.

*WEDNESDAY, 10 NOVEMBER, 1971*

At Albury City Council Chambers at 9.15 a.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr FISHER		Mr MUTTON
Mr GORDON		Mr NOTT
Mr KEARNS		Mr OSBORNE
Mr MACKIE		Mr RENSHAW

Apologies were received from Mr Crawford.

The Committee deliberated.

The press and public were admitted.

His Worship the Mayor of Albury, Alderman Clever Bunton, delivered an address of welcome to which Mr G. C. Mackie and the Chairman replied.

Kevin Douglas Bowtell, Managing Director of Donga Meatworks Limited, sworn as a witness and presented a prepared statement upon which he was examined by the Chairman and Members of the Committee.

Evidence concluded, the witness withdrew.

Robert Denniston Chomley, Manager, Wodonga Branch, A.M.L. & F., called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Austin John Montague, Vice-President of the Graziers' Association of the Riverina, presented a prepared statement by his Association upon which he was examined by the Chairman and Members of the Committee.

Evidence concluded, the witness withdrew.

David John Lock, Secretary, Wagga Wagga Branch of the Rural Action Movement, presented a statement prepared by the Wagga Wagga Branch upon which he was examined by the Chairman and Members of the Committee.

Evidence concluded, the witness withdrew.

John Graham Martin, Farmer and Grazier, also representing the Wagga Wagga Branch of the Rural Action Movement (R.A.M.), called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Rex Hamilton Wilson, Stud Stock Breeder, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Arthur Colin McLaren Halford, Farmer and Grazier, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Herbert Winston Freyer, Livestock Buyer, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Ernest Abel Clark, Grazier, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

The Committee adjourned at Forty-seven minutes past Four p.m. until Tomorrow at Forty-five minutes past Eight a.m.

*THURSDAY, 11 NOVEMBER, 1971*

At Conkey & Sons Limited Abattoir, Cootamundra, at 8.45 a.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr FISHER

Mr MACKIE

Mr GORDON

Mr MUTTON

Mr RENSHAW

Apologies were received from Messrs Crawford, Kearns, Nott and Osborne.

The Committee arrived at Conkey and Sons Limited Abattoir, and were met on arrival by the Managing Director and Senior Staff.

The operation of the Abattoir was thereupon inspected by the Committee and discussions on the meat industry held in the Board Room with Mr Harold S. Conkey, Managing Director and his Senior Staff.

The Committee left the Abattoir to proceed to Cootamundra Municipal Council Chambers for the taking of evidence.

The press and public were admitted and the following witnesses examined:

Donald Francis Manwaring, Manager of Cootamundra Transports, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

John Barry Crick, Meat Sales Manager, Conkey and Sons Limited, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Trevor Thomas McDevitt, Retail Butcher, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Jack Clifford Moriarty, Stock and Station Agent, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Leslie Maxwell McKenzie, Livestock Supervisor for Conkey and Sons Limited, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Steven Graham Hardie, Grazier, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

James Arthur Pearson, Livestock Carrier, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

John Robert Victor Reid, Farmer and Grazier, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Robert Williamson Manson, General Manager, of Conkey and Sons Limited, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

The Committee adjourned at Thirty-one minutes past Six p.m. until To-morrow at Thirty minutes past Nine a.m.

*FRIDAY, 12 NOVEMBER, 1971*

At Cootamundra Municipal Council Chambers at 9.30 a.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr MUTTON

Mr RENSHAW

Apologies were received from Messrs Crawford, Fisher, Gordon, Kearns, Mackie, Nott, and Osborne.

The Committee deliberated.

Harold Stanley Conkey, Managing Director, of Conkey and Sons Limited, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

John James Dillon, Farmer and Grazier, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Leigh Maurice Kingston, Farmer and Grazier, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

The Committee adjourned at Thirty-eight minutes after Eleven a.m. until Tuesday, 16 November, 1971, at Thirty minutes past Eight p.m.

*TUESDAY, 16 NOVEMBER, 1971*

At Parliament House at 8.30 p.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr CRAWFORD

Mr MACKIE

Mr FISHER

Mr MUTTON

Mr GORDON

Mr NOTT

Mr KEARNS

Mr OSBORNE

Mr RENSHAW

Minutes of the previous meeting and of the inspections made and evidence taken in the period 8-12 November, 1971, were read and confirmed.

Correspondence was read and received.

*Resolved*, on the motion Mr Fisher, seconded by Mr Mackie: That the letter dated 10 November, 1971, from the Director of Marketing Services, Australian Meat Board, be acknowledged; the Director to be thanked for offering to make available to the Committee any documented information required to assist the Committee with its inquiry into the Meat Industry.

The Committee deliberated.

The Committee adjourned at Nine p.m. until Tuesday, 23 November, 1971, at Thirty minutes past Eight p.m.

TUESDAY, 23 NOVEMBER, 1971

At Parliament House at 8.30 p.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr CRAWFORD  
Mr FISHER  
Mr GORDON  
Mr KEARNS

Mr MACKIE  
Mr MUTTON  
Mr NOTT  
Mr OSBORNE

Mr RENSHAW

The Minutes of the previous meeting were read and confirmed.

Correspondence was read and received.

*Resolved*, on the motion of Mr Fisher, seconded by Mr Mackie: That the letter from the Assistant Commissioner of Police dated 17 November, 1971, advising that it is not proposed to make any written statement on the meat industry, be received.

*Resolved*, on the motion of Mr Osborne, seconded by Mr Fisher: That the representations made by Mr A. R. L. Gordon on behalf of the Ricegrowers' Association of Australia, regarding synthetic meat be acknowledged; the Association to be informed that the Committee is concerned with this aspect of the meat industry and that it expects to report to the House accordingly.

*Resolved*, on the motion of Mr Mackie, seconded by Mr Renshaw: That the Chairman's action in communicating with major abattoirs throughout New South Wales, by letter dated 18 November, 1971, seeking information on killing fees and associated charges be endorsed by the Committee.

*Resolved*, on the motion of Mr Osborne, seconded by Mr Mackie: That all replies received from abattoirs in response to the Chairman's letter of 18 November, 1971, be duplicated and distributed to Members.

*Resolved*, on the motion of Mr Renshaw, seconded by Mr Nott: That the Rural Action Movement, the United Farmers and Woolgrowers' Association and the Graziers' Association of New South Wales, be informed that the Committee is prepared to receive their representatives and take evidence from them on 13, 14 and 15 December, 1971; these organizations to inform the Committee if the suggested dates are suitable.

The Committee deliberated.

The Committee adjourned at Forty minutes past Nine p.m. until Tuesday, 7 December, 1971, at Thirty minutes past Eight p.m.

TUESDAY, 7 DECEMBER, 1971

At Parliament House at 8.30 p.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr CRAWFORD  
Mr FISHER  
Mr GORDON  
Mr KEARNS

Mr MACKIE  
Mr MUTTON  
Mr NOTT  
Mr OSBORNE

Mr RENSHAW

The Minutes of the previous meeting were read and confirmed.

Correspondence was read and received.

*Resolved*, on the motion of Mr Nott, seconded by Mr Mackie: that the Chairman's letter to Mr H. S. Conkey, dated 1 December, 1971, in reply to a complaint by Mr Conkey concerning a press statement attributed to Mr J. B. Renshaw on the subject of higher prices charged for lamb meat in the City, be endorsed.

*Resolved*, on the motion of Mr Mackie, seconded by Mr Fisher: that the Chairman address a follow-up letter to Mr Conkey affirming that the Committee is proceeding with its inquiry without bias or any preconceived ideas on recommendations to be made to the Parliament for the benefit of the meat industry; also that it resolved to take no further action on the press statement attributed to Mr Renshaw.

The Committee deliberated and resolved to proceed with arrangements initiated by the Chairman for visits of inspection to abattoirs in Berrima and Goulburn on 25 and 26 January, 1972, respectively.

The Committee adjourned at Five minutes past Nine p.m. until Monday, 13 December, 1971, at Ten a.m.

MONDAY, 13 DECEMBER, 1971

At Parliament House at 10.00 a.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr FISHER  
Mr KEARNS  
Mr MACKIE

Mr MUTTON  
Mr NOTT  
Mr RENSHAW

Mr OSBORNE

Apologies were received from Messrs Crawford and Gordon.

The press and public were admitted.

Frederick Sefton Bennett, Farmer and Grazier, nominated as a witness by The Graziers' Association of New South Wales, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Finlay Melrose MacDiarmid, Jnr, President, The Graziers' Association of New South Wales, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Norman Woodhead Seccombe, Grazier, nominated as a witness by The Graziers' Association of New South Wales, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

The Committee adjourned at Fifty-five minutes past Three p.m. until To-morrow at Ten a.m.

TUESDAY, 14 DECEMBER, 1971

At Parliament House at 10.00 a.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr FISHER  
Mr MACKIE  
Mr MUTTON

Mr NOTT  
Mr OSBORNE  
Mr RENSHAW

Apologies were received from Messrs Crawford, Gordon, and Kearns.

The press and public were admitted.

John Joslyn Cusack, Farmer and Grazier and Chairman of the Rural Action Movement's Meat Committee, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Ronald Linton Forsyth, Farmer and Grazier and Senior Vice-President of the Rural Action Movement, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

John Joslyn Cusack being previously sworn resumed evidence for a brief period. Evidence concluded, the witness withdrew.

The Committee adjourned at Four p.m. until To-morrow at Eleven a.m.

WEDNESDAY, 15 DECEMBER, 1971

At Parliament House at 11.00 a.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr FISHER	Mr NOTT
Mr MACKIE	Mr OSBORNE
Mr MUTTON	Mr RENSHAW

Apologies were received from Messrs Crawford, Gordon, and Kearns.

The press and public were admitted.

Thomas Henry Bryant, Farmer and Chairman of the United Farmers and Woolgrowers' Association Meat Committee, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Roderick Hector Black, Farmer and General President of the United Farmers and Woolgrowers' Association, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Bryan Francis Regan, General Secretary of the United Farmers and Woolgrowers' Association, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

The Committee adjourned at Two minutes past Five p.m., *sine die*.

WEDNESDAY, 26 JANUARY, 1972

In Goulburn, New South Wales, at 10.31 a.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr FISHER	Mr MUTTON
Mr GORDON	Mr NOTT
Mr MACKIE	Mr OSBORNE

Apologies were received from Messrs Crawford, Kearns and Renshaw.

The Committee, accompanied by the Works Manager of Goulburn City Council Abattoir, proceeded to the abattoir and inspected the operation of the sheep and cattle chain until 1 p.m.

At 2.25 p.m. His Worship the Mayor of Goulburn delivered an address of welcome to the Committee in Goulburn City Council Chambers which was followed by a further address of welcome by the President of Mulwaree Shire Council, to which the Chairman responded.

Evidence was thereupon taken from the following persons:

Albert Edward Towns, Works Manager, Goulburn City Council Abattoir, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Paul Edward George O'Connor, Senior Meat Inspector, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

John Ronald Hooten, Grazier and Retail Butcher, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Scott Lawson Ross, Area Manager for Elder Smith and Goldsborough Mort Ltd, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

William Robertson Murray, Wholesale Butcher, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

The Committee adjourned at Forty-five minutes past Six p.m. until To-morrow at Sixteen minutes past Eight a.m.

THURSDAY, 27 JANUARY, 1972

In Moss Vale, New South Wales, at 8.16 a.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr GORDON

Mr MACKIE

Mr MUTTON

Mr NOTT

Mr OSBORNE

Apologies were received from Messrs Crawford, Fisher, Kearns and Renshaw.

The Committee was met on arrival at Moss Vale Station by the Honourable T. L. Lewis, M.L.A., and by Mr H. W. J. Moss, Chairman of Directors, Berrima District Meats Limited.

The Committee proceeded to the Berrima District Meats Limited Abattoir and observed the operation of the sheep chain and ancillary facilities. From thence the Committee proceeded to Wingecarribee Shire Council Chambers and was officially welcomed by the Honourable T. L. Lewis, M.L.A., and the President of Wingecarribee Shire. The Chairman spoke in reply and conveyed the thanks of the Committee for the facilities provided.

Evidence was thereupon taken from the following persons:

Hedley Walter Jordan Moss, Chairman of Directors, Berrima District Meats Limited, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Clarence Kevin Geyer, Works Manager, Berrima District Meats Limited, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Colin William Munsie, Secretary, Berrima District Meats Limited, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Allan Lowe, Senior Meat Inspector, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Barry Brown, Senior Meat Inspector, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

The Committee adjourned at Two minutes past One p.m., until Monday, 7 February, 1972, at Ten a.m.

MONDAY, 7 FEBRUARY, 1972

At Parliament House at 10 a.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr FISHER

Mr GORDON

Mr KEARNS

Mr MACKIE

Mr MUTTON

Mr NOTT

Mr OSBORNE

Apologies were received from Messrs Crawford and Renshaw.

The press and public were admitted.

Keith Oliver Campbell, Professor of Agricultural Economics and Dean of the Faculty of Agriculture, The University of Sydney, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Mrs May Maxwell, President of the Bankstown Branch Organization, Campaign Against Rising Prices, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Malcolm Thomas MacPherson, Director of MacPherson Brothers (Wholesale) Pty Limited, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

The Committee adjourned at Forty-two minutes past Four p.m. until To-morrow at Ten a.m.

*Resolved*, on the motion of Mr Fisher, seconded by Mr Osborne: That correspondence requesting the Committee to visit New Zealand and study lamb marketing procedures in that country be received and noted.

*Resolved*, on the motion of Mr Fisher, seconded by Mr Kearns: That the closing date for the receipt of written submissions by the Committee be the 14 April, 1972.

*Resolved*, on the motion of Mr Mackie, seconded by Mr Osborne: That evidence on outstanding major submissions made to the Committee be taken in the week commencing Monday, 10 April, 1972.

*Resolved*, on the motion of Mr Osborne, seconded by Mr Kearns: That arrangements be left in the hands of the Chairman for the holding of discussions between the Australian Meat Board and the Committee at a suitable date in Parliament House, Sydney.

*Resolved*, on the motion of Mr Kearns, seconded by Mr Fisher: That the Committee deliberate at its next meeting on the immediate preparation of an interim report to be presented to the House before the end of March, 1972.

The Committee adjourned at Six minutes past Nine p.m. until Tuesday, 29 February, 1972, at Eight p.m.

TUESDAY, 29 FEBRUARY, 1972

At Parliament House at 8.00 p.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr CRAWFORD

Mr FISHER

Mr GORDON

Mr KEARNS

Mr MACKIE

Mr MUTTON

Mr NOTT

Mr OSBORNE

Mr RENSHAW

Minutes of the previous meeting were read and confirmed.

The following correspondence was distributed to all Members:

A submission from the Union of Australian Women (N.S.W. Branch)—numbered S31.

A statistical return from Dubbo City Council Abattoir showing current charges imposed as a service works.

*Resolved*, on the motion of Mr Kearns, seconded by Mr Mackie: That the arrangements made for Committee Members to confer with the Australian Meat Board on 17 March, 1972, are acceptable.

*Resolved*, on the motion of Mr Mutton, seconded by Mr Mackie: That on account of the number of important written submissions received and because of the number of witnesses yet to give evidence before the Committee, it would be impracticable to prepare an Interim Report for tabling in the House prior to the end of March, 1972.

*Resolved*, on the motion of Mr Nott, seconded by Mr Mutton: That a comprehensive press statement be issued giving an account of the Committee's meetings and activities, the number of witnesses examined and the number of abattoirs inspected in three States, and of the Committee's expressed intention of completing the taking of all evidence as soon as possible so that recommendations for the benefit of producer and consumer will be made to the Parliament without delay.

*Resolved*, on the motion of Mr Crawford, seconded by Mr Osborne: That the Chairman and Clerk confer with the Government Printer regarding the avoidance of delays in providing proofs of evidence taken by the Committee.

The Committee adjourned at Fifty-five minutes past Eight p.m., *sine die*.



*TUESDAY, 14 MARCH, 1972*

At Parliament House at 8.00 p.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr CRAWFORD		Mr MACKIE
Mr FISHER		Mr MUTTON
Mr GORDON		Mr NOTT
Mr KEARNS		Mr OSBORNE

Mr RENSHAW

Minutes of the previous meeting were read and confirmed.

Correspondence was read and received.

The Committee deliberated.

The Committee adjourned at Twenty minutes past Nine p.m. until Friday, 17 March, 1972, at Ten a.m.

*FRIDAY, 17 MARCH, 1972,*

In the Board Room of the Australian Meat Board, 30 Grosvenor Street, Sydney,  
at 10.00 a.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr FISHER		Mr MUTTON
Mr KEARNS		Mr OSBORNE
Mr MACKIE		Mr RENSHAW

Apologies were received from Messrs Crawford, Gordon and Nott.

The Committee conferred with Members of the Australian Meat Board on matters of mutual interest in the Meat Industry, ascertaining particularly the Board's views on beef classification and grading, liveweight and auction sales of stock, and the merits or otherwise of establishing a statutory meat marketing authority in New South Wales.

Members of the Board participating in the conference were Colonel Malcolm McArthur (Chairman), Messrs David Wright, Duncan McFarland and Frank Giles.

The conference concluded at 12.15 p.m. and the Committee adjourned until Monday, 10 April, 1972, at Ten a.m.

*MONDAY, 10 APRIL, 1972,*

At Parliament House at 10.00 a.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr FISHER		Mr MUTTON
Mr GORDON		Mr NOTT
Mr KEARNS		Mr OSBORNE
Mr MACKIE		Mr RENSHAW

Apologies were received from Mr Crawford.

The press and public were admitted.

Donald Dowling Charles, Senior Lecturer, the University of Queensland, and founder of the Charles System of Beef Classification, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

James Irwin Faithfull Maple-Brown, Grazier, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Francis Walter Winter, a consulting engineer in abattoir construction and design, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

The Committee adjourned at Thirty-six minutes past Four p.m. until To-morrow at Ten a.m.

TUESDAY, 11 APRIL, 1972,

At Parliament House at 10.00 a.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr FISHER	Mr MUTTON
Mr GORDON	Mr NOTT
Mr KEARNS	Mr OSBORNE
Mr MACKIE	Mr RENSHAW

Apologies were received from Mr Crawford.

The press and public were admitted.

Philip Stanley Hill, Chairman of the Metropolitan Meat Industry Board, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Neil Tolmie McRae Yeats, Professor of Livestock Production, the University of New England, and founder of the Yeates System of Beef Grading, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

The Committee adjourned at Four p.m. until To-morrow at Ten a.m.

WEDNESDAY, 12 APRIL, 1972,

At Parliament House at 10.00 a.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr FISHER	Mr MACKIE
Mr GORDON	Mr MUTTON
Mr KEARNS	Mr OSBORNE

Apologies were received from Messrs Crawford, Nott and Renshaw.

The press and public were admitted.

Ronald Norman Irish, Economist, Department of Agriculture, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Robert Daveney Eastoe, Principal Livestock Officer, Sheep and Wool, Department of Agriculture, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Keith William Robert Gilchrist, Principal Livestock Officer, Beef Cattle and Horses, Department of Agriculture, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Ronald Norman Irish, Economist, Department of Agriculture, previously sworn as a witness, recalled to elaborate on an acceptable legal definition of the term "carcass".

Evidence concluded, the witness withdrew.

Lloyd Murray Russell, Principal Livestock Officer, Pigs, Department of Agriculture, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Con Constantine, LL.B., Legal Officer, Department of Agriculture, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

The Committee adjourned at Fifty-seven minutes after Four p.m. until To-morrow at Ten a.m.

THURSDAY, 13 APRIL, 1972

At Parliament House, at 10.00 a.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr FISHER		Mr MACKIE
Mr GORDON		Mr MUTTON
Mr KEARNS		Mr NOTT

Mr OSBORNE

Apologies were received from Messrs Crawford and Renshaw.

*Resolved*, on the motion of Mr Fisher, seconded by Mr Mackie: That payment of \$42.40 travelling expenses incurred by Professor N. T. M. Yeates in the course of appearing as a witness before the Committee on Tuesday, 11 April, 1972, and claimed by him, be approved.

*Resolved*, on the motion of Mr Mackie, seconded by Mr Fisher: That the Chairman and Clerk be authorised to arrange an itinerary for the taking of final evidence on 1 and 2 May, 1972.

*Resolved*, on the motion of Mr Mackie, seconded by Mr Nott: That Dr Scott of the C.S.I.R.O., Queensland, be summoned to appear before the Committee on either 1 or 2 May, 1972, and give evidence on the system of beef classification and grading devised by him.

Minutes of the meetings held on 14 March and 17 March, 1972, were read and confirmed.

The Committee deliberated.

The press and public were admitted.

John Stuart Buchanan, Farmer, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Brian Gregory Walton, Manager, Wondarra Stud, Goulburn, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Roy Geoffrey Jones, Company Director, F. J. Walker, Limited, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

The Committee adjourned at Seven minutes past Four p.m. until To-morrow at Ten a.m.

FRIDAY, 14 APRIL, 1972

At Parliament House, at 10.00 a.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr FISHER		Mr MACKIE
Mr GORDON		Mr MUTTON
Mr KEARNS		Mr NOTT

Apologies were received from Messrs Crawford, Osborne and Renshaw.

Minutes of the meetings held on 10, 11 and 12 April, 1972, were read and confirmed.

The press and public were admitted.

John Lucas, Manager of the Perishable Foods Division of Woolworths Limited, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Betty Elaine Mawdsley, Honorary Secretary of the New South Branch, Union of Australian Women, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

William George Mulligan, Company Director of P. D. Mulligan Holdings Pty Limited, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

The Committee adjourned at Twenty-five minutes past Three p.m. until Monday, 1 May, 1972, at Ten a.m.

MONDAY, 1 MAY, 1972

At Parliament House, at 10.00 a.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr FISHER	Mr MUTTON
Mr GORDON	Mr NOTT
Mr KEARNS	Mr OSBORNE
Mr MACKIE	Mr RENSHAW

Apologies were received from Mr Crawford.

*Resolved*, on the motion of Mr Mackie, seconded by Mr Osborne: That payment of \$62.40 travelling expenses incurred by Mr. D. D. Charles in travelling from Brisbane to Sydney to appear before the Committee as a witness on 10 April, 1972, and claimed by him, be approved.

Minutes of the meetings held on 13 and 14 April, 1972, were read and confirmed.

The Committee deliberated.

The press and public were admitted.

Dr William James Scott, Officer in Charge, Division of Food Research, C.S.I.R.O. Meat Research Laboratory, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Clifford Ray Ryan, Grazier, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Thomas Henry Leece, Assistant Manager, Newcastle Abattoir Department, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Walter Albert Taylor, State Secretary, The Australian Meat Industry Employees' Union, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

The Committee adjourned at Twenty-six minutes past Four p.m. until To-morrow at Ten a.m.

TUESDAY, 2 MAY, 1972

At Parliament House, at 10 a.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr FISHER	Mr MUTTON
Mr GORDON	Mr NOTT
Mr KEARNS	Mr OSBORNE
Mr MACKIE	Mr RENSHAW

Apologies were received from Mr Crawford.

The press and public were admitted.

Keith Francis Gooley, President, Country Meatworks' Association of New South Wales, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

John Harold Medway, President, The Meat and Allied Trades' Federation of Australia (New South Wales Division) called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Poul Elholm Berner, Director and General Manager, Anderson Meat Industries, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

John Joslyn Cusack, Chairman, Rural Action Movement's Meat Committee, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

Thomas Henry Bryant, Chairman, U.F.W.A. Meat Committee, called as a witness, sworn and examined.

Evidence concluded, the witness withdrew.

The Committee deliberated.

The Committee adjourned at Forty-two minutes past Four p.m., *sine die*.

TUESDAY, 6 JUNE, 1972

At Parliament House, at 2.30 p.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr FISHER		Mr MUTTON
Mr GORDON		Mr NOTT
Mr MACKIE		Mr OSBORNE
Mr RENSHAW		

Apologies were received from Messrs Crawford and Kearns.

Minutes of the meetings held on 1 and 2 May, 1972, were read and confirmed.

Correspondence was received and noted.

The Committee deliberated.

The Committee adjourned at Thirty-seven minutes past Four p.m., *sine die*.

MONDAY, 31 JULY, 1972

At Parliament House, at 9.30 a.m.

MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr FISHER		Mr MUTTON
Mr GORDON		Mr NOTT
Mr KEARNS		Mr OSBORNE
Mr MACKIE		Mr RENSHAW

Apologies were received from Mr Crawford.

Minutes of the previous meeting were read and confirmed.

A copy of the Draft Report which was transmitted to each Member of the Committee was brought up by the Chairman.

*Resolved*, on the motion of Mr Nott, seconded by Mr Fisher: That the Draft Report be accepted as having been read.

The Committee thereupon proceeded to consider the Draft Report.

Introductory statement read and agreed to.

*Introduction*

Paragraphs 1 to 3 read and agreed to.  
 Paragraph 4 read and amended.  
 Paragraph, as amended, agreed to.  
 Paragraph 5 read and amended.  
 Paragraph, as amended, agreed to.  
 Paragraphs 6 to 11 read and agreed to.  
 Paragraph 12 read and amended.  
 Paragraph, as amended, agreed to.  
 Paragraphs 13 to 16 read and agreed to.  
 Paragraph 17 read and amended.  
 Paragraph, as amended, agreed to.  
 Paragraph 18 read and amended.  
 Paragraph, as amended, agreed to.  
 Paragraphs 19 and 20 read and agreed to.

*The Beef Industry*

Paragraphs 1 to 3 read and agreed to.  
 Paragraph 4 read and amended.  
 Paragraph, as amended, agreed to.

*The Mutton Industry*

Paragraphs 1 to 4 read and agreed to.

*The Prime Lamb Industry*

Paragraphs 1 to 3 read and agreed to.

*Public Abattoir Trading*

Paragraph 1 read and amended.  
Paragraph, as amended, read and agreed to.

*Rationalization of Slaughtering*

Paragraphs 1 and 2 read and agreed to.

*Slaughtering and Dressing Procedures*

Paragraph 1 read and amended.  
Paragraph, as amended, read and agreed to.  
Paragraph 2 read and agreed to.  
Paragraph 3 read and amended.  
Paragraph, as amended, read and agreed to.

*Meat Inspection*

Paragraph 1 read and agreed to.  
Paragraph 2 read and amended.  
Paragraph, as amended, agreed to.  
Paragraphs 3 to 7 read and agreed to.

*Re-inspection of Meat*

Paragraph 1 read and amended.  
Paragraph, as amended, read and agreed to.

*Grading and/or Classification Systems*

Paragraphs 1 to 4 read and agreed to.

*Offal and By-products*

Paragraphs 1 to 8 read and agreed to.

*Work Force in the New South Wales Meat Industry*

Paragraphs 1 to 3 read and agreed to.

*Boning Rooms*

Paragraph 1 read and agreed to.

*Transportation of Meat*

Paragraph 1 read and amended.  
Paragraph, as amended, read and agreed to.  
Paragraph 2 read and amended.

*Road Transport*

Paragraphs 1 and 2 read and agreed to.

*Homebush Meat Market*

Paragraphs 1 and 3 read and agreed to.

*Wholesaling of Meat*

Paragraphs 1 to 8 read and agreed to.  
Paragraph 9 read and amended.  
Paragraph, as amended, agreed to.

*Retailing of Meat*

Paragraphs 1 and 2 read and agreed to.  
Paragraph 3 read and amended.  
Paragraph, as amended, read and agreed to.  
Paragraphs 4 and 5 read and agreed to.

*Cross-subsidization by the Retail Butcher*

Paragraph 1 read and agreed to.  
Paragraph 2 read and amended.  
Paragraph, as amended, read and agreed to.

*Stabilization of Retail Prices*

Paragraph 1 read and agreed to.

*Promotion of Meat*

Paragraphs 1 and 2 read and agreed to.

*Retail Meat Outlets*

Paragraphs 1 to 6 read and agreed to.  
Paragraph 7 read and amended.  
Paragraph, as amended, read and agreed to.  
Paragraphs 8 and 9 read and agreed to.

*Late Trading and the Sale of Red Meat*

Paragraphs 1 to 4 read and agreed to.

*Consumers*

Paragraphs 1 to 8 read and agreed to.

*Export Industry*

Paragraphs 1 to 15 read and agreed to.

*Subjective Grading*

Paragraphs 1 and 2 read and agreed to.

*Classification*

Paragraphs 1 to 4 read and agreed to.  
 Paragraph 5 read and amended.  
 Paragraph, as amended, agreed to.  
 Paragraphs 6 to 9 read and agreed to.  
 Paragraph 10 read and amended.  
 Paragraph, as amended, agreed to.  
 Paragraphs 11 to 13 read and agreed to.  
 Paragraph 14 read and amended.  
 Paragraph, as amended, agreed to.  
 Paragraphs 15 and 16 read and agreed to.

*Meat Quality Control*

Paragraphs 1 to 3 read and agreed to.

*Schedule of Prices*

Paragraph 1 read and agreed to.

*Sale by Weight and Classification*

Paragraphs 1 and 2 read and agreed to.

*Definition of Carcasses*

Paragraphs 1 and 2 read and agreed to.

*New Zealand Meat Industry*

Paragraphs 1 to 4 read and agreed to.

*Marketing of Primary Products Act*

Paragraph 1 read and agreed to.

Paragraph 2 read and amended to include new subparagraph (e) which reads as follows—

Witnesses from U.F.W.A. and R.A.M. indicated that their organizations are conscious of the limitations imposed by Section 92 on a single statutory meat marketing board unless similar boards are established in adjoining States.

Paragraph, as amended, read and agreed to.  
 Paragraph 3 read and agreed to.  
 Paragraphs 4 and 5 read and amended.  
 Paragraphs, as amended, read and agreed to.

*Meat Industry Authority*

Paragraphs 1 to 4 read and agreed to.  
 Paragraph 5 read and amended.  
 Paragraph, as amended, read and agreed to.  
 Paragraph 6 read and agreed to.

*Recommendations*

Recommendation 1 read and amended.  
 Recommendation, as amended, read and agreed to.  
 Recommendations 2 and 3 read and agreed to.  
 Recommendation 4 read and amended.  
 Recommendation, as amended, agreed to.  
 Recommendation 5 sub-paragraphs (i) to (v) read and agreed to.  
 Recommendation 5 sub-paragraph (vi) read and amended.  
 Sub-paragraph (vi) as amended, read and agreed to.  
 Recommendation 5 sub-paragraph (vii) read and amended.  
 Sub-paragraph (vii) as amended, read and agreed to.  
 Recommendation 5 sub-paragraphs (viii) to (xii) read and agreed to.

Recommendations 6 to 14 read and agreed to.  
 Recommendation 15 read and amended.  
 Recommendation, as amended, read and agreed to.  
 Recommendations 16 to 19 read and agreed to.  
 Recommendation 20 read and deleted.  
 Recommendation 21 read and agreed to—to stand as recommendation 20.  
 Recommendations 22 to 27 read and agreed to—to stand as recommendations 21 to 26, respectively.  
 Recommendation 28 read and amended.  
 Recommendation, as amended, read and agreed to—to stand as recommendation 27.  
 Recommendations 29 to 32 read and agreed to—to stand as recommendations 28 to 31, respectively.  
 Recommendation 32 read and deleted.  
 Recommendation 33 read and agreed to—to stand as recommendation 32.  
 Recommendation 34 read and amended.  
 Recommendation, as amended, read and agreed to—to stand as recommendation 33.

#### *Conclusion*

Paragraphs 1 and 2 read and agreed to.

#### *Acknowledgements*

Paragraph 1 (a) and (b) read and agreed to.

#### *Appendices*

Appendices A, B, C, D, and E, read and agreed to.

The Committee adjourned at Thirty-three minutes past Four p.m. until To-morrow at Forty-five minutes past Twelve p.m.

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WEDNESDAY, 2 AUGUST, 1972

At Parliament House, at 12.45 p.m.

#### MEMBERS PRESENT:

Mr R. A. BREWER (in the Chair)

Mr FISHER	Mr MUTTON
Mr GORDON	Mr NOTT
Mr KEARNS	Mr OSBORNE
Mr MACKIE	Mr RENSHAW

Apologies were received from Mr Crawford.

Minutes of the meeting held on 1 August, 1972, were read and confirmed.

Consideration of the Chairman's Draft Report was resumed.

*Resolved*, on the motion of Mr Kearns, seconded by Mr Mutton: That the Draft Report, as amended and agreed to, be the Report of the Committee. (Report was thereupon signed by the Chairman).

*Resolved*, on the motion of Mr Renshaw, seconded by Mr Osborne: That this Committee place on record its appreciation of the able Chairmanship of Mr R. A. Brewer and acknowledges his impartiality and competence throughout its deliberations. Also, that the effectual manner in which the Committee carried out its various inspections and other functions was largely due to his leadership and lifelong interest in the Meat Industry.

*Resolved*, on the motion of Mr Fisher, seconded by Mr Mackie: That this Committee place on record its appreciation of the efficient services given by Mr L. C. Joachim, Clerk of the Committee and acknowledges, with thanks, his invaluable assistance to the Committee in all aspects of its deliberations and in organizing visits of inspection in three States. Also, that the Chairman be requested to communicate this Resolution to the Speaker of the Legislative Assembly.

The Committee deliberated.

The Committee adjourned at Ten minutes past One p.m., *sine die*.



## LIST OF WITNESSES

*Individuals and/or Organizations*

AGRICULTURE, DEPARTMENT OF (R. N. Irish, R. D. Eastoe, K. W. R. Gilchrist,  
 L. M. Russell and C. Constantine)  
 ANDERSON MEAT INDUSTRIES LIMITED (P. E. Berner)  
 AUSTEN, Noel Oscar  
 AUSTIN, Keven Foster  
 AUSTIN, W. PTY LIMITED (K. F. Austin)  
 AUSTRALIAN MEAT EXPORTERS' FEDERAL COUNCIL (R. G. Jones)  
 AUSTRALIAN MEAT INDUSTRY EMPLOYEES' UNION (W. A. Taylor)  
 BADGERY, Douglas Henry  
 BENNETT, Frederick Sefton  
 BENNETT, Jack Wilson  
 BERNER, Poul Elholm  
 BERRIMA DISTRICT MEATS LIMITED (H. W. J. Moss, C. K. Geyer and C. W.  
 Munsie)  
 BLACK, Roderick Hector  
 BLAYNEY COUNTY COUNCIL ABATTOIR (N. C. Gardiner, D. I. McLean and L. D.  
 Stewart)  
 BOWTELL, Kevin Douglas  
 BROWN, Barry  
 BRYANT, Thomas Henry  
 BUCHANAN, John Stewart  
 BULLOCK, Thomas Bedwell  
 BUREAU OF AGRICULTURAL ECONOMICS, CANBERRA (N. D. Honan)  
 BURLAND, Colin John  
 CAMPBELL, Professor Keith Oliver  
 CAMPAIGN AGAINST RISING PRICES—BANKSTOWN BRANCH (M. Maxwell)  
 CANNON, Wayne  
 CHALLACOME, Richard Sinclair  
 CHAPMAN, Henry William  
 CHARLES, Donald Dowling  
 CHOMLEY, Robert Denniston  
 CLARK, Ernest Edward  
 CLARENCE RIVER CO-OPERATIVE MEAT SOCIETY LIMITED (J. H. McCooey,  
 W. Cannon, Dr W. T. Costello, A. G. Page and A. G. Moran)  
 CONKEY, Harold Stanley  
 CONKEY AND SONS LIMITED (J. B. Crick, L. M. McKenzie, R. W. Manson and  
 H. S. Conkey)  
 CONSTANTINE, Con  
 COOTAMUNDRA TRANSPORTS LIMITED (D. F. Manwaring)  
 COSTELLO, Dr William Thomas  
 COUNTRY MEATWORKS' ASSOCIATION OF NEW SOUTH WALES (K. F.  
 Gooley)  
 CRICK, John Barry  
 CROPPER, W. G. AND D. T. ANDREW, CONSULTING ENGINEERS (F. W.  
 Winter)  
 C.S.I.R.O., DIVISION OF FOOD RESEARCH (Dr W. J. Scott)  
 CUSACK, John Joslyn  
 DILLON, John James  
 DONGA MEATS LIMITED (K. D. Bowtell)  
 EASTOE, Robert Daveney  
 ECONOMIC WOOL PRODUCERS' LIMITED (J. I. F. Maple-Brown)  
 FORSYTH, Ronald Linton  
 FREYER, Herbert Winston  
 GARDINER, Kevin Bruce  
 GARDINER, Norman Charles  
 GEYER, Clarence Kevin  
 GILCHRIST, Keith William Robert  
 GOOLEY, Keith Francis  
 GORDON, Charles Stewart  
 GOULBURN CITY COUNCIL ABATTOIR (A. E. Towns)  
 GRAZIERS' ASSOCIATION OF NEW SOUTH WALES (F. S. Bennett, F. M. Mac-  
 Diarmid, Jnr, and N. W. Seccombe)  
 GRAZIERS' ASSOCIATION OF RIVERINA (A. J. Montague)  
 HALFORD, Arthyr Colin McLaren  
 HARDIE, Steven Graham  
 HEATH, Ronald George  
 HILL, Philip Stanley  
 HONAN, Noel David  
 HOOTON, John Ronald  
 IRISH, Ronald Norman  
 JOHNSTON, Peter Harold  
 JONES, Roy Geoffrey

*Individuals and/or Organizations*

KINGSTON, Leigh Maurice  
 LEECE, Thomas Henry  
 LOCK, David John  
 LOWE, Allan  
 LUCAS, John  
 McCOOEY, John Harry  
 McDEVITT, Trevor Thomas  
 McKENZIE, Leslie Maxwell  
 McLEAN, Donald Ian  
 McNAUGHTON, Terrence John  
 MacDIARMID, Finlay Melrose, Jnr  
 MacPHERSON, Malcolm Thomas  
 MacPHERSON BROTHERS (WHOLESALE) PTY LIMITED (M. T. MacPherson)  
 MANWARING, Donald Francis  
 MANSON, Robert Williamson  
 MAPLE-BROWN, James Irwin Faithfull  
 MARTIN, John Graham  
 MAWDSLEY, Betty Elaine  
 MAXWELL, May  
 MEAT AND ALLIED TRADES FEDERATION OF AUSTRALIA (N.S.W. DIVISION  
 —(J. H. Medway)  
 MEDWAY, John Harold  
 METROPOLITAN MEAT INDUSTRY BOARD (P. S. Hill)  
 MONTAGUE, Austin John  
 MORAN, Arthur George  
 MORIARTY, Jack Clifford  
 MOSS, Hedley Walter Jordan  
 MOY, Michael Joseph  
 MULLIGAN P. D. HOLDINGS PTY LIMITED (W. G. Mulligan)  
 MULLIGAN, William George  
 MUNSIE, Colin William  
 MURRAY, William Robertson  
 NEWCASTLE ABATTOIR DEPARTMENT (T. H. Leece)  
 NEWMAN, Richard Orr  
 NEW SOUTH WALES MEAT EXPORTERS' ASSOCIATION (J. H. Medway and P. E.  
 Berner)  
 NEW SOUTH WALES MEAT INDUSTRY AUTHORITY (T. B. Bullock)  
 NEW SOUTH WALES STATE LAMB COMMITTEE (B. Walton)  
 NICHOLLS, Donald William Henry  
 O'CONNOR, Paul Edward George  
 PAGE, Donald Allan Geoffrey  
 PASCOE, Robert  
 PEARSON, James Arthur  
 PERKINS, Eric Clyde  
 RAMSAY, Roderick Biddulph  
 REGAN, Bryan Francis  
 REID, John Robert Victor  
 RIVERSTONE MEAT COMPANY PTY LIMITED (P. H. Johnston and R. Pascoe)  
 ROSS, Scott Lawson Bede  
 RURAL ACTION MOVEMENT (J. J. Cusack and R. L. Forsyth)  
 RUSSELL, Lloyd Murray  
 RYAN, Clifford Ray  
 SCOTT, Dr William James  
 SECCOMBE, Norman Woodhead  
 STEWART, Lindsay Donald  
 STOCK AND STATION AGENTS' ASSOCIATION OF NEW SOUTH WALES (R. G.  
 Heath)  
 SYDNEY COMMODITY FUTURES EXCHANGE LIMITED (R. O. Newman)  
 TAYLOR, Walter Albert  
 THOMPSON, Eric Gordon  
 TOWNS, Albert Edward  
 UNION OF AUSTRALIAN WOMEN (N.S.W. BRANCH—B. E. Mawdsley)  
 UNITED FARMERS AND WOOLGROWERS' ASSOCIATION (R. H. Black, T. H.  
 Bryant and B. F. Regan)  
 UNIVERSITY OF NEW ENGLAND, ARMIDALE (Professor N. T. M. Yeates)  
 UNIVERSITY OF QUEENSLAND (Mr D. D. Charles)  
 UNIVERSITY OF SYDNEY (Professor K. O. Campbell)  
 WALKER, F. J. LIMITED (R. G. Jones)  
 WALTON, Brain  
 WHALE, Benjamin Gordon  
 WHOLESALE MEAT TRADERS' ASSOCIATION (C. J. Burland and W. G. Mulligan)  
 WILSON, Rex Hamilton  
 WINTER, Francis Walter  
 WOOLWORTHS LIMITED (J. Lucas, Controller, Perishables)  
 YEATES, Professor Neil Tolmie McRae