

INQUIRY INTO THE CHICKEN MEAT INDUSTRY ACT 1977

TERMS OF REFERENCE

I, TROY BUSWELL, Treasurer, pursuant to Section 38(1)(a) of the *Economic Regulation Authority Act 2003* request that the Economic Regulation Authority (the Authority) undertake an inquiry into the effectiveness of the *Chicken Meat Industry Act 1977* (the Act) for the purpose of fulfilling the requirements of section 29(4) of that Act.

The Act provides for its termination unless the Minister publishes a notice continuing it for seven years from the date which it would otherwise have expired.

Before the Minister publishes such a notice section 29(4) of the Act requires that he or she cause an investigation and review to be conducted and a report to be prepared. The Act is not to be further continued unless the Minister is satisfied, after considering the report, that the continuation is justified in the circumstances. The investigation and review is to be carried out when five of the seven years of continued operation have elapsed.

The Act has been continued pursuant to these provisions since 1989 and most recently for a period of seven years succeeding 31 December 2003, that is, until 31 December 2010.

Consequently the Act became due for its next investigation and review after 31 December 2008 and the review must be completed before the end of 2010.

In conducting the inquiry, the Authority is expected to consider and develop findings on:

- How the Act currently operates, including what actions are taken under the Act by chicken meat growers, chicken meat processors and the Chicken Meat Industry Committee;
- The current issues affecting the chicken meat industry in Western Australia, including issues relating to the major processors being based in the eastern states and competition from interstate chicken meat;
- Whether there is a need for legislation to improve stability in this industry, which was the object of the Act when enacted, or any other reason, or if the Act should be repealed; and
- If there is a need for legislation, whether the Act in its current form is effective in meeting this need or should be amended or replaced.

The Authority must give consideration to, but will not be limited to:

- An examination of the chicken meat industry nationally;
- An examination of the relative negotiating power of chicken meat growers and chicken meat processors in relation to the terms of contract between them; and
- If any imbalance in negotiating power is found to exist, a consideration of whether any intervention is required or recommended to redress this imbalance.

The Authority will release an issues paper as soon as possible after receiving the reference. The paper is to facilitate public consultation on the basis of invitations for written submissions from industry, government and all other stakeholder groups, including the general community.

A report providing a draft analysis is to be available for further public consultation on the basis of invitations for written submissions.

The Authority will complete a final report for the purpose of section 29(4) of the Act no later than nine months after receiving the Terms of Reference.

**TROY BUSWELL MLA
TREASURER; MINISTER FOR COMMERCE;
SCIENCE AND INNOVATION; HOUSING AND WORKS**