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June 29, 1983

Mr. K. Fitzgibbon,
Secretary,
C.E.P.A.,
Post Office,
STRATHFIELDSAYE

Dear Kevin,

Thank you for sending me a copy of your organisations views on the discussion paper on egg industry stabilisation.

I enclose a letter from Mr. Eric Kent, Minister of Agriculture, on the subject of the proposed review of egg industry transport subsidies.

Please do not hesitate to contact me if there are any matters arising from the letter you would like to draw to my attention.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "David Kennedy".

DAVID KENNEDY, M.L.A.,
Member for Bendigo

TELEPHONE 651 7011

166 WELLINGTON PARADE
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MINISTER OF AGRICULTURE

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83/807

27 JUN 1983

Mr. David Kennedy, M.L.A.,
Member for Bendigo,
Dispensary Walk,
Off Hargreaves Street,
BENDIGO, Vic. 3550

Dear Mr. Kennedy,

I refer to your letter of June 3 regarding the proposed review of industry transport subsidies by the Victorian Egg Marketing Board.

I am reticent to interfere in this matter for several reasons. Firstly the Board has circulated a discussion paper to producers and others prior to a review of the situation. The Board has invited written submissions before July 14 and I feel sure the matter will receive good consideration and discussion before any final decisions are made.

Secondly it is a matter of concern that the continuation of such transport subsidies is leading to the establishment of production units in areas where eggs are not needed and as a result, the industry is charged with the cost of transporting surplus eggs back to the main markets. It is only when producers are themselves responsible for the transport of surplus eggs that a more proper consideration will be given to the location of future egg production units.

Finally the estimate of extra costs of production to country areas is not so simple. It must be remembered that areas such as Bendigo have enjoyed reduced feed costs in that they do not bear the costs of transporting grain to Melbourne. They have also had reduced production costs due to the availability of reasonably priced land with suitable water supplies, compared to that around the outer Melbourne Metropolitan area. Further, the newer poultry areas outside Melbourne are up to 70 to 100 Km. from Melbourne and have to bear substantial transport costs themselves. I think the Bendigo district has a growing potential for attracting future poultry production as land in the Melbourne Metropolitan area becomes higher priced and less available for poultry.

The Bendigo district has natural advantages as a poultry farming area with its close proximity to grain production and suitable land at reasonable prices and could well be promoted to attract new poultry farms.

Yours sincerely,

Eric Kent

ERIC KENT
MINISTER OF AGRICULTURE