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28th May, 1987.

Mr. David Ali,
Secretary,
Public Bodies Review Committee,
2nd Floor, "Treasury Gate",
1-15 Little Collins Street,
MELBOURNE. 3000

Dear Mr. Ali,

I would like to submit the following submission to the Public Bodies Review Committee on behalf of the Central Council of the Commercial Egg Producers' Association of Victoria.

Our Association believes it is important to retain orderly marketing, we support the Quota System and the retention of the Egg Board and are against any form of deregulation.

The situation in New Zealand is worth having a look at. Deregulation of the Poultry Industry was introduced in April this year after 12 months review of the Industry Development Commission. The only control being the quotas, and these are to be phased out by 30th June, 1988.

This means the Government removed all regulations relating to price control, quality, grade sizes and farm sizes. A great price war has developed between producers in the South and North Islands with price cuts of up to 60 cents per dozen. Prices have now settled down to about the same as at April 1st; with Grading Floors now charging extra for promotion and advertising. Retailers and distributors are taking a higher margin mainly as a risk precaution and Producers are receiving less returns.

One of the proposed objectives of deregulation was that prices would drop; this has not happened. The whole stability of the industry has been upset.

We need a marketing board - to be able to promote our product more cheaply and effectively; to produce and market

egg products; and to effeciently control the production and sales of eggs.

The Industry in New Zealand is very fragmented, the consumer doesn't gain - the Producer loses. This is something that both country and metropolitan producers can well do without in Victoria.

The Egg Board is in the best position to set the price of eggs, we suggest that a method based on the cost of production similar to that used in W.A. be implemented here in Victoria.

Producers have suffered with 12 cents per dozen drop in price last August, and its debatable that this drop was handed on by the supermarkets. We believe a cost of production be used and the price of eggs rise in line with the C.P.I. This method of price fixing would ensure the stability of the industry as a whole.

Now is the time for the Government to promote the production of eggs in the country areas. Bendigo is an ideal area with perfect weather for egg production, cheaper land than the Metropolitan area, less risk of disease and is situated on a good highway less than 2 hours from Melbourne. The time is right for the promotion of eggs in the Bendigo area while we have a modern grading floor to accomodate increased receivals.

We believe the Government's choice of Government members of the Victorian Egg Board leaves a lot to be desired, the present 3 non producer members on the Board are of very little value, and in some cases a detriment to the Industry, with little or no input into the progress of the Marketing Board.

Hoping that your Committee will give this submission your genuine consideration,

Yours sincerely,

K. Fitzgibbon,
SECRETARY: