AUSTRALIA MEAT HOLDINGS PTY LIMITED

Incorporated in Queensland

A.C.N. 011 062 338



Head Office: jb/productivity

13 September 2002

Mr Gavan Dwyer Great Barrier Reef Study Productivity Commission LB2, Collins Street MELBOURNE VIC 8003

Dear Mr Dwyer

I write on behalf of Australia Meat Holdings (AMH), a major red meat processor with two major export facilities located within the catchment study area at Townsville and Rockhampton. This company has campaigned for more than a decade for the whole of the meat processing industry to take up the challenge of being globally competitive. It is our belief that this needs to occur or the industry may not survive the external threats of the international industries operating for the same markets.

Historically, there were too many antiquated plants competing against each other with uneconomic work practices. This company in the past decade undertook three major decisions and actions. We rationalised the number of processing outlets and consolidated our investment in four key locations in Queensland (Dinmore near Ipswich, Beef City near Toowoomba, Townsville and Rockhampton).

We then negotiated new EBA's with our workforce to achieve greater efficiencies at our existing four processing plants processing plants.

A third initiative was to invest heavily in new capital improvements for these facilities, including environmental management.

AMH has won two industry awards for environmental practices in the past year and at the recent National Environmental Conference in Brisbane, our joint chief executive Mr John Keir indicated that the meat processing industry should commit to the internal management of all wastewater.

In his speech, which has been circulated widely, Mr Keir said:

"Failure to act will see the long-term economic damage become greater in magnitude. Governments need to ensure that there is a consistent approach to ensuring that industry players meet prescribed environmental outcomes."

Due to the significance of the Great Barrier Reef and concerns over the impact of nutrient level impacting upon sensitive ecological areas , AMH has developed at both Townsville and Rockhampton, sustainable land-based effluent systems.

Corporate Services

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AMH believes that the industry practices of the past continue to threaten Australia's reputation in this global business, which has over the past few years been plagued by food quality crisis in both Europe and in Japan. It is important for this industry and others which compete in the world economy to ensure that the integrity of the produce and the total processing standards reflect a commitment to quality and quality practices.

This company has been able to compete successfully against local and international competitors by investing in sound sustainable development practices. Our shareholders have been prepared to invest in sound environmental management systems at some significant capital cost, to gain higher productivity for our business.

We hope that the Commission in its review supports our challenge to the meat processing industry, which is to operate sustainable industry in sensitive and ecological important areas.

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Any further enquiries on this matter can be directed to me on telephone (07) 3810 2318.

Yours sincerely

John Berry General Manager, Corporate Affairs