

# MEAT STORY

*Government and industry are proposing changes to the way meat destined for the Australian market is inspected.*

*The review process has highlighted the shortcomings of the present system in some abattoirs — but unless the proposed new system is implemented properly, it seems it will only make matters worse.*



**"O**N INSPECTION of chillers it was found that 400+ pigs were under retention. The reason was that these pigs had abscesses embedded in their shoulders, but these could only be detected during the boning process so they were [to be] boned under the supervision of an AQIS [Australian Quarantine Inspection Service] inspector. Further investigation found that these diseased pigs were coming in with the knowledge of the management; however, they did not notify the inspection staff.

"It was not until an inspector on a routine boning room check spotted the abscesses that a trimming program was introduced. Prior to this there was nothing set up in the way of condemn bins for contaminated trimmings nor sterilisers for cleansing contaminated knives or machinery. The workers and foremen were allowing diseased meat into products for human consumption."

This review of an abattoir by an AQIS inspector doesn't exactly make you want to rush out and buy a shoulder of pork for Sunday lunch. Such reports indicate that, while there may be many abattoirs operating in Australia with a strong commitment to the highest standards of quality control and hygiene, the domestic meat industry is not without its serious problems.

Following last year's report from the Review of Domestic Meat Inspection Task Force, the Commonwealth Government is proposing to reform and deregulate the industry. The reforms include plans to move away from the use of independent government inspectors to police procedures in domestic meatworks, and to reduce the number of inspection procedures used. It is proposed that the current regime of on-line inspection be replaced with industry-managed quality assurance (QA) programs.

While the Task Force cited protecting public health as one of its fundamental aims, its main objective seems to have been to find more "cost-effective" domestic meat inspection procedures. It is clear that the proposed reforms are intended to cut costs for the government and the industry, but it is doubtful that they will enhance the quality and safety of meat available on the domestic market.

## The story so far ...

■ Since the report of the 1981 Woodward Royal Commission into the Australian meat industry, the Australian Quarantine Inspection Service has provided a domestic meat inspection service to all but some small local slaughterhouses in all states and territories except Queensland and Western Australia, where services are run by the state governments. The presence of AQIS inspectors in domestic abattoirs is the major method of 'policing' the industry.

■ The costs for the AQIS service are currently borne totally by the industry — almost certainly a result of the government's new user-pays policy — yet it is obliged to use the service.

■ Inspectors (one per abattoir) are responsible for conducting inspections of livestock before slaughter ('ante-mortem') to detect any abnormalities or diseases. Any problem animals are culled and either condemned or slaughtered last to prevent contamination of other stock. As well, the inspector checks the hygiene status of animals delivered for slaughter.

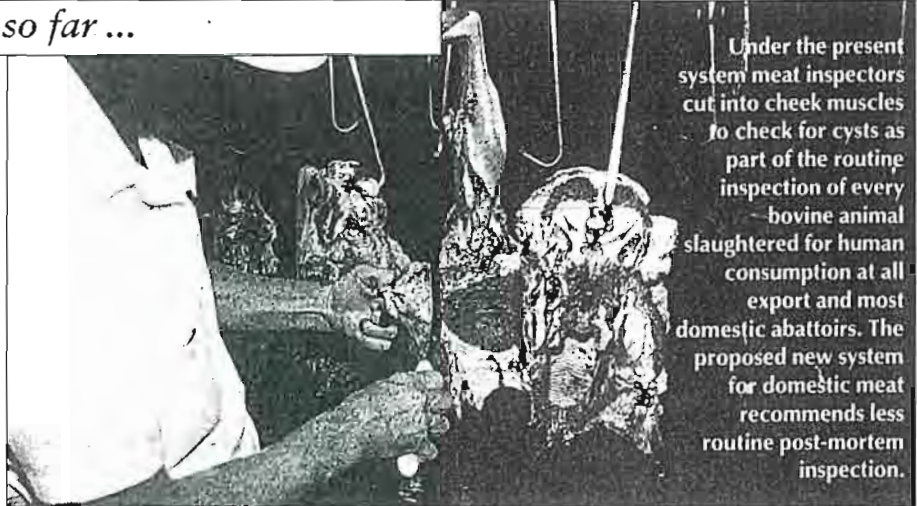
■ The inspector also conducts examinations after slaughter ('post-mortem'). Incision, palpation (examination by touch) and observation are used to detect diseases that may affect the wholesomeness or safety of the meat. The findings of the post-mortem examination enable the inspector to direct slaughtermen to trim any contaminated areas from carcasses or 'condemn' the carcass (downgrade it to pet food or have it destroyed).

■ The inspector is supposed to make sure everyone involved in the processing of the meat does their job correctly — checking, for example, that there is adequate distance between the carcasses (so they don't contaminate each other) as they move along a chain to be cut and trimmed. After this the carcasses are washed and placed into chillers, where the inspector checks for cleanliness and crowding. There may also be an offal room which has to be checked, and a room for meat processing. From there meat can go straight out to retail, small-goods shops or a boning outfit.

### ALL IS NOT WELL

The domestic meat industry is labour-intensive, with a high proportion of the workforce unskilled or semi-skilled. Turnover of labour is high and there is heavy reliance on casual workers. Capital and production costs are high and profit margins low.

Because of this, operations are pro-



Under the present system meat inspectors cut into cheek muscles to check for cysts as part of the routine inspection of every bovine animal slaughtered for human consumption at all export and most domestic abattoirs. The proposed new system for domestic meat recommends less routine post-mortem inspection.

*Inspectors argue that if some proprietors have no regard for hygiene and quality control when their activities are policed independently, standards certainly won't improve if the 'police' are removed from the system.*

duction-driven — the emphasis is on speed of production rather than quality control. Given this environment there's no doubt independent inspectors are needed to ensure standards are kept high. However, while the system seems to be working in many cases, standards of hygiene and quality control in some domestic abattoirs are far from high in spite of the AQIS presence. The following reviews by inspectors reveal some major hygiene and quality management problems.

One inspector writes:

■ "Separation of carcasses at mandatory distances does not occur on the bleeding rail. Due to the wholly inadequate stock washing facility there is a tendency by slaughtermen to 'hose' the carcasses at this point. This releases contaminant in the form of salmonella found naturally occurring in the intestinal tract ... At the point of lowering from the bleeding rail there is often carcass overrun as slaughtermen attempt to gain production speed. This overrun results in the contamination of the lower carcasses with vomitus and blood..."

A review of another abattoir lists over 20 ongoing hygiene and processing

deficiencies that require constant attention by the resident inspector. For example:

■ "Tubs and containers used for collecting edible offals and meats on the slaughter floor are often used without adequate cleaning to remove grease, blood and fat from the previous day's production. Slaughter floor operations are not provided with adequate designated areas to hang gear such as aprons and knives etc. This results in operatives wearing these when using toilets.

"Chilled carcasses at load-out fall onto the floor, become contaminated and are then placed with clean carcasses ... There is inadequate use of sterilisers to remove contamination from knives etc. Bungs (rectums) are often untied on beef carcasses, resulting in bowel spillage and faecal contamination of carcasses. Management encourage operatives to remove contamination such as faeces, ingesta etc. by hosing. Contamination should be trimmed so that all bacteria are removed and not spread over the carcass by hosing."

The inspector makes the point: "There is no training program in place that would give staff an understanding of basic hygiene principles. Both processing and supervisory staff lack any training in hygiene principles and conversation with them reveals a lack of understanding of the importance of the issue..."

### TIME FOR A CHANGE?

So it seems that despite the presence of government inspectors a lot can — and does — still go wrong in the production of meat for the domestic market.

Industry and government are in fact arguing that the current system is inadequate, that conventional inspection procedures are no longer relevant and that industry-managed quality assurance programs would be an effective alterna-

tive. They claim meat is over-inspected compared with, for example, chickens: in NSW five inspectors are responsible for 120 000 tonnes of chicken, while there are 76 inspectors for around the same tonnage of meat.

Inspectors argue that if some proprietors have no regard for hygiene and quality control when their activities are policed independently, standards certainly won't improve if the 'police' are removed from the system. They say self-regulation — which is essentially what is proposed — would be a disaster.

It has been suggested that inspectors may have an axe to grind: if the recommendations proposed for changing the system are implemented (see *What happens next? — the proposals*, right), they could be out of a job. On the other hand, many of them could well find new employment as part of the proposed self-regulatory 'quality assurance' programs planned for domestic abattoirs.

The Consumers' Association agrees that the disregard some abattoir proprietors currently show for the need to provide consumers with meat that is wholesome and safe to eat implies that some sort of reform is needed in the industry. However, the reforms being proposed by the government and industry don't necessarily have the best interests of the meat-consuming public at heart.

Providing the public with the highest-quality meat and ensuring the highest standards of hygiene and safety are not at the top of the government's or industry's list of priorities. When the minister for resources, Alan Griffiths, announced the AQIS reform package in November 1991, "Significant savings in meat inspection costs, a streamlined businesslike approach, further reductions in staff numbers ..." were listed as the major benefits of the package, while meat *quality* was simply to be "maintained".

*What happens next? — the proposals*

■ **Ante-mortem inspections:** Last year's Review of Domestic Meat Inspection Task Force found that only a low number of suspect animals was presented for slaughter and that the conditions contributing to suspects were common and easily recognisable. The government and industry recommendation with regard to pre-slaughter examination is therefore that: "Any person experienced in stock handling would be competent to detect suspect animals." So under the proposed new regulations, a company official with an undefined amount of training or experience would determine the health and cleanliness of animals submitted for slaughter.

Other experts argue that ante-mortem inspection is vital for spotting symptoms like fever which disappear after slaughter, and that it takes training as well as experience to do this. A recent discovery of anthrax in cattle during an ante-mortem inspection seems to bear this out.

■ **Post-mortem inspection procedures** would also be changed. Conventional inspection procedures were developed a century ago when major diseases of con-

cern to human health like brucellosis and tuberculosis were common. Proposals to change post-mortem inspection procedures have been justified on the basis that improved animal husbandry means such diseases have declined markedly in incidence. "As a result the majority of gross lesions now detected during inspection of individual [beef] carcasses are not of direct public health relevance and may be termed as aesthetic defects," says the Task Force report.

The reform package includes a number of procedural changes which reduce the amount of post-mortem incision of organs and in some cases the palpation of organs, leaving inspectors to detect pathological conditions by observation only.

■ **Quality assurance programs:** A principal recommendation of the Task Force is the development of quality assurance (QA) programs for domestic meatworks. It recommended industry be given the option of performing all functions associated with maintaining hygienic standards under a QA arrangement. This would provide a framework for the transfer of the full range of regulatory meat inspection tasks to industry.

The aim is that industry will eventually exercise responsibility for inspection through individual plant QA programs. Government will continue to fulfil its public obligations by approving and auditing the plant programs.

The Meat Research Corporation is currently developing QA systems for the industry. A three-person assessment group comprising representatives from the Meat and Allied Trades Federation, the Public Sector Union and AQIS will have to approve the quality assurance manuals of plants wishing to take part in a pilot QA program. Following the pilot stage, the Task Force recommended monitoring to assess the effectiveness of the QA program.

The Meat Research Corporation envisages that once a QA program is approved, it will operate independently, without a full-time AQIS presence at the plant.

**WHAT PRICE QUALITY?**

According to the minister for resources, Alan Griffiths, "The quality assurance approach to be developed and trialled for use on slaughter floors in domestic abattoirs is probably the most advanced in the world."

Mr Griffiths also claims that, "There will be no reduction in the quality or reliability of Australian products as a

*"Employees ... view many unhealthy and unsafe work practices as normal procedure, and regard directions from the present [inspection] staff about hygiene or safety as a nuisance to their production target."*



The carcass of a condemned animal (foreground) must be kept separate from other carcasses to avoid contamination.

## DOUBLE STANDARDS: DOMESTIC vs EXPORT

**T**HERE IS a persistent inequity in standards and procedures between abattoirs for domestic meat and export meat. Standards in export meatworks are much higher than those in domestic plants; and even features like ceilings, walls and general construction are quite different.

In export abattoirs there's an inspector and also a veterinary officer. The vet does the ante-mortem inspection, which gives the inspector more time to concentrate on other duties and ensures neither ante- nor post-mortem inspections are rushed, as often occurs in domestic plants.

Hygiene is monitored daily before slaughtering begins by authorised meat inspectors on a random basis. The cleaning program and approval of chemicals used is determined by the importing country. In domestic abattoirs, hygiene is currently monitored by authorised meat inspectors at the beginning and end of daily operations.

Meat rejected in export sheds because the animal is affected by certain diseases can be downgraded for consumption within Australia provided it is kept at specified temperatures for a given number of days. Double standards can

consequence of switching to QA systems as the means of achieving regulatory objectives. In particular, AQIS will ensure that QA options are underpinned by firm and effective sanctions policies."

However, there are holes in the AQIS mechanism for implementing quality assurance programs. Approval of a plant's QA program is based in the first instance on the examination of a manual, which outlines how quality controls will be implemented and enforced in that particular abattoir. The abattoir must also be willing to "allow sufficient level of monitoring to fully assess the effectiveness of their operation".

However, AQIS's ability to ensure standards are maintained once a QA program has been approved and the inspector removed is questionable. It is proposed that the performance of abattoirs will be monitored by a series of AQIS audits. The problem is that all major audits will be announced, giving less-than-honest operators the chance to make sure everything is shipshape for the auditor's visit. All audits must be unannounced if AQIS is to be certain that a quality assurance system is functioning properly.

Many abattoirs probably would, if given the opportunity, do a good job of

also be found in post-mortem examinations and the minimum requirements for chilled meat temperatures in export versus domestic operations.

Despite higher standards in the export meat industry, its quality control system has not always performed well, prompting several inquiries including the 1981 Woodward Royal Commission, which arose after a species substitution scandal. In August 1987 unacceptable levels of organochlorine pesticides detected in meat exported to the United States resulted in temporary US bans on Australian meat exports. A multi-million dollar meat trade with the USA, Japan and Canada was severely threatened.

There are no plans to downgrade inspection procedures or reform the export meat industry, mainly because our trading partners would not put up with lower standards. That raises the question of why Australian consumers should be content with current government and industry initiatives to downgrade inspection procedures in domestic abattoirs and hand over control of hygiene and quality assurance to industry, when domestic standards are already so much lower than those expected by other countries.

implementing quality assurance programs. In theory, they offer benefits to the successful proprietor: they potentially cut costs, improve production and increase profits. But even the Meat Research Corporation concedes that not all proprietors are "suitable" candidates for implementing QA.

The present emphasis on quantity before quality in some abattoirs is a huge impediment to the success of such programs. A review of one abattoir by an AQIS inspector indicates that parts of the industry are far from ready to take responsibility for quality control.

The inspector writes:  
"Production was halted by the AQIS meat inspectors. The reason was to fix poor dressing procedures; it upset the foreman and it took a great deal of diplomacy by inspection staff to convince him that spillage of faecal matter and ingesta and bile on a carcase was unhealthy by way of contamination and a great cost to the company due to [the resulting] over-trimming ...

"Contamination of the offal table had occurred after a diseased lung landed on it. It turns out that there is no carcase-to-carcase sterilisation of this area. If the AQIS officer doesn't arrange

## WHAT ABOUT CHEMICALS?

**A**N ISSUE that both the Australian Quarantine Inspection Service (AQIS) and the industry seem to be side-stepping is the problem of chemical and pesticide residues in red meat. Conventional inspection procedures and quality assurance programs cannot detect the presence of such chemicals. A modern inspection system, whether it is controlled by government or industry, should have the capacity for samples to be routinely taken and tested for chemical residues.

Neither AQIS nor the domestic meat industry seems willing to spend the money to establish adequate industry-wide testing facilities. AQIS does conduct a random testing program at present. But if the government and abattoir owners were committed to enhancing the wholesomeness and safety of meat, they would be prepared to tackle the issue of chemical residues and spend money to solve the problem on a regular basis.

*All major audits will be announced, giving less-than-honest operators the chance to make sure everything is shipshape for the auditor's visit.*

a clean-up it doesn't get done. Several employees were asked what training they had received as slaughtermen. They all answered that it came from practice after being thrown into the job head first.

"Production was stopped again. The problem was a pus-contaminated pig going on to the retain rail. This rail has no automatic separation of carcasses so they were squeezed together and the kill line had to be stopped by an AQIS officer to allow spacing of the contaminated carcase prior to trimming."

In conclusion, the AQIS inspector stated that, "Employees at this factory have no idea or understanding of what 'total quality management' means. On questioning, even foremen and area supervisors are unsure. They view many unhealthy and unsafe work practices as normal procedure, and regard directions from the present AQIS staff about hygiene or safety as a nuisance to their production target."

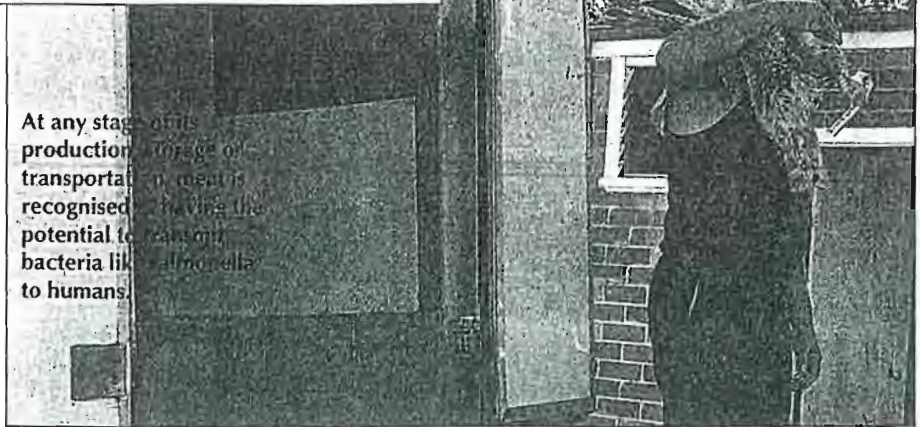
*Public health and consumer confidence*

The Review of Domestic Meat Inspection Task Force was of the opinion that, "The majority of post-mortem findings in the domestic sector could be classed as aesthetic defects — a defect of no public health significance, and while generally seen as undesirable to consume, such a defect would not adversely affect the health of the consumer." Even so, the Task Force defined wholesome meat as that which is "free of visible contamination [and] is free of disease or defect that is objectionable to consumers".

Even if there were no significant public health risk posed by production conditions like those described by the AQIS inspector, the defects described would definitely be objectionable to most consumers. If self-regulation allows such conditions to prevail, there is a real danger that the wholesomeness of meat will suffer and consumer confidence in the product will be damaged. In the United States there has been a consumer backlash of 'no confidence' against industry-regulated meat quality, and meat inspection (domestic and export) is now funded by the government as a safety measure.

In an ideal world the quality assurance approach to meat inspection would ensure all known risks to meat safety during all stages of production would be identified and addressed explicitly in a systematic way. Unfortunately, Australia's domestic meat industry is not an ideal world. Downgrading of conventional inspection procedures and QA program breakdowns could result in contaminated meat making it on to the market.

For example, even if the person carrying out ante-mortem inspections is experienced at stock handling, if he or she



At any stage of its production, transportation or storage of meat, there is a potential for contamination by bacteria like salmonella to humans.

is an employee of the abattoir owner, there is a danger they will not decide to condemn suspect animals if the company stands to lose money as a result.

Regarding post-mortem examination, the Task Force based its opinion that most conditions detected were of no significant public health risk on statistics gathered from export abattoirs in Queensland, Victoria and South Australia. It is not clear if the figures used by the Task Force are relevant in the domestic context — see *Double standards* on page 9 for a discussion of the inequities between export and domestic requirements.

Many pathological conditions can only be found by thorough palpation and incision — quick observation is not enough. While diseases like brucellosis and tuberculosis are no longer a serious public health threat, reducing the amount of incision and palpation of organs post-mortem does increase the risk that some pathological conditions will escape detection.

The traditional post-mortem inspection was also useful for the detection of visible contamination. Inspectors per-

*Downgrading of conventional inspection procedures and quality assurance program breakdowns could result in contaminated meat making it on to the market.*

formed a sorting function, with contaminated product being trimmed or condemned.

It is now widely accepted that the principal public health concern is the risk of microbiological contamination of meat during slaughter, dressing, handling, storage and food preparation. While serious diseases like tuberculosis have been almost eradicated, foodborne pathogens, notably salmonella, listeria and campylobacter, have become more prominent over the past 20 years. And meat — at any stage of its production or transportation — is recognised as a major vehicle for the transmission of these pathogens to the human population.

It has been argued that traditional inspection procedures are not effective at controlling the hazards of microbiological contamination. A properly implemented quality assurance program, on the other hand, would include preventative measures at critical points in the slaughter process that could minimise such contamination. Time, temperature, loading patterns, airflow and relative humidity are all important in controlling microbial growth during chilling, storage and distribution.

While successful QA programs could prevent contamination, there are doubts as to whether all proprietors are capable of implementing and enforcing health and safety standards under such programs.

*Case study*

**BONE TAIN**

**I**N FREEZING carcase meat on the bone, it takes time for all the meat to be frozen. If the freezing process is stopped too soon (before the meat next to the bone has been properly frozen) it is possible for this meat to go off — a condition called bone taint. In 1989 a shipment of Australian beef was rejected by Korea because of bone taint. Yet on the instructions of the Australian Quarantine Inspection Service (AQIS) the meat was returned to Australia, boned out and released to the domestic market.

An AQIS investigation revealed that the meatworks involved had 'cut corners' operationally, leading to bone taint. It also

found that product destined for Korea was often loaded on Saturdays for freezing off-plant, but freezing was not commenced until two or three days later.

This case shows that even under the watchful eye of export meat inspectors and veterinary officers, some abattoir proprietors cut corners to maximise production levels (also see *What price quality?* on page 8). It shows too the inequities which exist between standards for export and for the domestic market. It seems Australian consumers have to put up with conditions like bone taint which authorities in other countries deem to be unacceptable in our exports.

## Conclusions

All is not well at present in the domestic meat industry. While there are many reputable abattoirs concerned about providing the public with meat that is both appetising and safe, other proprietors have a flagrant disregard for fundamental hygiene and quality control standards. The inconsistencies between abattoirs seem to confirm the need for an independent inspectorate to police the industry.

However, the presence of government inspectors in domestic abattoirs is obviously not a magic wand that makes hygiene and quality control problems disappear. In spite of the presence of Australian Quarantine Inspection Service inspectors, many abattoir operators continue to indulge in poor production procedures that put the desirability and safety of their product at risk.

This being the case now, proposals to downgrade inspection procedures and eventually replace government inspectors with industry-controlled quality assurance programs may turn out to be even more to the detriment of consumers. If abattoir operators are breaching standards under the nose of the AQIS inspectorate, it seems logical they won't suddenly turn over a new leaf and raise standards once the police are removed. Inspection procedures should not be scaled down until the proposed quality assurance system is tried and proved to work in each abattoir.

Quality assurance programs could improve hygiene standards and prevent microbiological contamination if properly implemented and enforced. An abattoir



should have to complete a trial period during which a full-time AQIS inspector remains on the premises to scrutinise procedures and ensure they are in line with the program set out in the manual.

Even once approval is granted, there is still a need for a strong, independent policing presence in a self-regulating meatworks. QA programs will have to be constantly monitored to ensure standards don't fall. The proposed AQIS audit program, where the abattoir would be forewarned of major audits, is far from adequate. If the government is not willing to retain a full-time inspection presence in domestic meatworks, it must undertake to retain enough inspectors to carry out regular and unannounced audits of QA programs.

The government has a responsibility

*Inspection procedures should not be scaled down until the proposed quality assurance system is tried and proved to work.*

to ensure the public can be confident of consuming safe, wholesome meats which are true to label. In fact, the Review of Domestic Meat Inspection Task Force stated in its report that the objective of meat inspection was to provide a government guarantee that quality assurance programs and disease reporting systems are in place to ensure the industry produces meat that lives up to consumer expectations. Unless the proposed reforms are reviewed and the objectives of enhancing consumer confidence and health are given priority over the present desire to cut costs, Australian consumers will justifiably begin to question the quality and safety of meat. □

### WHAT CAN YOU DO?

IF YOU are concerned about the manner in which the Commonwealth Government and domestic meat industry are attempting to replace independent meat inspection with industry-controlled quality assurance programs, contact your local federal member of parliament or write to the Department of Primary Industries and Energy in your state's capital city to register your concern.

### Case study

## TUBERCULOSIS

AUSTRALIAN cattle are largely tuberculosis-free, but occasionally cases do arise and inspectors are trained to detect suspect animals. This detection is important both in terms of protecting public health by preventing the product reaching the public, and allowing authorities to trace back to the source of the problem. However, the Australian consumer is again the second-class citizen, as the following case study shows.

Last December two TB-suspect beef cattle were detected at an export meatworks in South Australia. These suspects may have been related to other TB suspects found in Victoria around the same time. At the South Australian abattoirs the analysis of the samples was compromised when they were placed in formalin, there-

by making it impossible to determine whether the lesions were active or not. The carcasses were quarantined but there is confusion about what eventually happened to them, and some sources claim they were boned out under supervision and released to the domestic market.

While there is no record of anyone acquiring tuberculosis by eating infected meat (it was mainly spread through the human population by people drinking inadequately pasteurised milk from TB-affected cows), again the poor quality control practised in this example, and the fact that such contamination is unacceptable for export but may be acceptable for the local market, shows that the Australian consumer is expected to put up with second-rate meat.

# \*Farmers in plan to opt out of wage fixing

By Paul Robinson

ONE of the nation's most influential employer groups, the National Farmers Federation, has threatened to opt out of the centralised wage-fixing system by deregistering its seven state industrial bodies.

The move would mean that Australia's shearers, farm laborers and possibly some meatworkers would be employed by labor-hire agencies controlled by farmers.

The federation's state organisations would become franchised labor hire agencies along the lines of Troubleshooters Available — the controversial contract labor-hire company that has been at the centre of bitter disputes in the meat and building industries.

The plan has been condemned by the Federal Government, the ACTU, the Australian Workers Union and the Australasian Meat Industry Employees Union as a divisive move against the working conditions of rural workers.

The president of the ACTU, Mr Martin Ferguson, said the union movement, farmers and consumer groups had been working together to improve food production, quality and export.

"That is far more useful to the community than the NFF devising strategies to divide the communi-

ty," he said. "The farmers have got to realise that the union movement hasn't got two heads. It's about time they focused on the main game."

Under the plan, devised by the NFF's industrial officer, Mr Paul Trenwith, the agencies would become a kind of closed shop whereby labor would be provided to "members only, but based on conditions set outside the award system".

"A fee for providing labor will be charged to farmers and (would) become substantial revenue for organisations. This fee, currently 10 per cent with Troubleshooters, could be flexible to provide a nil return in bad financial times, such as at present, but would be a service to members," Mr Trenwith said.

Non-members would have to find their own farm labor and abide by awards.

Mr Trenwith said the plan conformed with NFF policy to dismantle the centralised system. He said deregistering the NFF's state-based organisations would mean that unions, such as the AWU, would not have a central agency on which to serve wages and conditions claims.

The NFF president, Mr Graham Blight, said that if the federation

deregistered the state organisations, the AWU would be forced to pay almost \$800,000 each time it wanted to serve farmers with a wage or conditions claim. The AWU would have to notify the country's 140,000 farmers individually by registered post at a cost of \$6 a letter: "It would cost them, eh?"

The plan will be discussed at a National Farmers Federation meeting tomorrow.

"A lot of people have recognised that we have had a big impact on promoting industrial change," he said. "If we decide to go ahead, we might have one hell of an impact in one go."

Mr Blight said any change would affect up to 50,000 farm workers but "we're not talking about destroying award conditions and getting back child labor. We support the concept of minimum conditions."

The Minister for Industrial Relations, Senator Peter Cook, said he did not believe the plan would succeed because three states — South Australia, New South Wales and Queensland — "have laws which enable unfair contracts to be dealt with through the arbitration system and when we get our legislation through, there'll be federal laws as well".

The federal secretary of the AWU, Mr Mike Foreshore, said the move was "pretty disgraceful" and would be examined by the union's lawyers to determine if it breached the restrictive trade sections of the Trade Practices Act. He said if the plan meant that the union would be forced to make individual approaches to farmers "... so be it. We've done it before and we'll do it again if we have to."

"The more insidious thing is the labor-hire agency idea. That's ultimately a closed shop. If you are a farmer and you want labor you have to belong to their organisation. I've seen a lot of hypocrisy from the NFF in my time but this one takes the cake," he said.

The secretary of the meatworkers union, Mr Wally Curran, said the NFF had long been trying to undermine the orderly system of regulating wages and conditions by secretly funding organisations such as Troubleshooters.

"This sort of rubbish emphasises the importance of legislation proposed by Senator Cook in safeguarding workers from so-called contractors," he said.

The Opposition spokesman on industrial relations, Mr John Howard, declined to comment on the proposal until he had examined it in detail.

# Farmers paid abattoir agent

By Paul Robinson

THE National Farmers Federation has conceded that it financially backed moves to gather evidence for a damages action against the meatworkers' union in the protracted contract labor dispute at Camperdown.

The federation's president, Mr Graham Blight, said he was not certain whether a figure of \$250,000 mentioned at a Wool Council of Australia meeting this week related to the federation's funding of the Camperdown dispute, but said "the law's expensive".

"That money was spent on legal costs and having someone there to get evidence against the union," he said.

"If you haven't got photographic evidence you've got no evidence."

Mr Blight said he was aware of Mr Warwick St Clair Leeson, a private inquiry agent hired to collect



Graham Blight

**'He didn't get that much. I was not deeply involved though. He would have certainly got something — we needed him.'**

photographic and written evidence against the meatworkers' union on the picket-line outside the Camperdown meatworks.

Mr Blight said he knew the agent had been hired but he wasn't paid \$250,000: "He didn't get that much. I was not deeply involved though. He would have certainly got something — we needed him."

The secretary of the Amalgamated Meat Industry Employees Union, Mr Wally Curran, called on the State Government to investi-

who "didn't want the union down there. We certainly talked to him about it," he said.

The law firm Kroger and Kroger, which acts for Troubleshooters Available, has said that it hired Mr Leeson from 26 September to 9 November last year to gather evidence for a possible 'Dollar Sweets' type damages action against the meatworkers union.

The law firm's principal, Mr Michael Kroger, is the Victorian president of the Liberal Party. He has had close links to the National Farmers Federation personnel and is a noted advocate of labor market deregulation.

A private agents registry inquiry into the allegedly provocative behavior of Mr Leeson at the Camperdown picket-line has failed to satisfactorily establish who paid Mr Leeson's wages at Camperdown from 9 November until January this year.

Mr Leeson and a former manager of the abattoir, Mr Robert Deicmanis, have claimed that Famicorp hired Mr Leeson as a maintenance worker from 9 November until February, when he took over Mr Deicmanis' role as manager.

However Mr Fehmi, in a statement to the inquiry, has denied hiring Mr Leeson. Mr Fehmi says his records show only one payment to Mr Leeson in January of about \$500.

An attempt by the inquiry to have the abattoir records and personal bank records of Mr Deicmanis examined faltered in the last week of the inquiry when Mr Leeson's counsel, Mr Neil Brown, QC, refused to provide them.

The head of the inquiry, Superintendent Peter McDonald, in adjourning the investigation, said he would travel to Camperdown to personally inspect the records before making a finding on Mr Leeson's future as an agent.

# Mixed reaction to Crean plan

By ED GANNON,  
dairy writer

DAIRYFARMERS have blessed and blasted the Federal Government over new industry support arrangements.

Primary Industries Minister Simon Crean last week announced government support for the industry would continue until the year 2000, but would be phased down annually.

The industry breathed a sigh of relief that the controversial Industry Commis-

sion recommendations of last November, which included a plan to drastically scale down support to five per cent by 1996, did not form the basis for the new arrangements.

But industry leaders attacked the Minister for failing to retain underwriting of the industry — ironically one of the measures the IC recommended retaining.

Industry insiders had not expected Mr Crean would get the proposed arrangements through cabinet with the industry support and

tariff debate currently raging in Canberra.

The major points of the proposed arrangements are:

- Reducing market support payments to 10 per cent by 2000. A moratorium on market support reductions for 12 months and the maximum level to be the present 22 per cent in 1993-94.

- The cheese tariff quota to remain at 11,500 tonnes for imported cheese until there is a breakthrough in GATT negotiations.

- Underwriting to be abolished after June 30.

- The levy for promotion to be lifted from a maximum of 5.5c per kg butterfat to 8c per kg. The levy is currently at 4.65c.

- Removal of the comfort clause to free up interstate trade in line with current efforts to deregulate the market milk sector.

- No further legislated support for the industry beyond 2000 but to be treated the same as other industries.

Mr Crean said the plan had come from consultation with the industry rather than

using the IC recommendations as a cornerstone of reform.

Australian Dairy Industry Council chairman Pat Rowley, gave "qualified support" to the new plan.

Mr Rowley said lowering market support to 10 per cent was close to what the industry had asked for — the chance to compete on an equal footing with New Zealand.

He also supported the proposal to continue the cheese tariff quota.

But Mr Rowley was criti-

cal of the abolition of underwriting, which he said was vital for investment confidence in the industry in states like Victoria and Tasmania.

"The decision to totally reject underwriting is typical of the 'dry' Canberra bureaucracy — out of touch with reality," he said.

The Minister argued the guarantee of returns at 85 per cent of export returns on an eight-year trend had only been triggered once and was therefore unnecessary.

Underwriting is a government guarantee to protect

farmer incomes in the event of a crash in world prices.

Mr Rowley said the council would seek urgent talks with the Government on underwriting.

United Dairyfarmers of Victoria president John Watson said the new plan generally met industry expectations.

He said the all-milk levy paid by farmers should remain the same through the life of the Crean plan.

• Editorial, Page 10.

WEEKLY TIMES

6/5/92

# \* Crean backflip on beef assistance

BY WENDY PUGH

A HIGH cattle turn-off which could threaten Australia's ability to supply Asian markets has prompted the Federal Government to reconsider special drought assistance for beef producers.

Primary Industries and Energy Minister Simon Crean told the Cattle Council of Australia's annual meeting in Canberra this week he was aware that breeding stock essential for the industry's recovery was

being slaughtered by producers facing a cash crisis.

"That is of concern to me and I have asked my department to reconsider the position and advise if additional assistance is needed," he said.

"I will consult with the industry on the outcome of that report."

The Primary Industries department is expected to provide a report to Mr Crean within two weeks.

The Government rejected a one-off beef assistance package in the One Nation

statement but provided a special crop planting scheme for wheat growers.

"When proposals for restocking assistance were previously put to me by the council, I did not feel the evidence was there to justify the adoption of such an approach," Mr Crean said.

Mr Crean also told cattle producers he was working to develop a strategy for the meat industry from the farm to the consumer.

He said he had spoken with Industrial Relations Minister Senator Peter Cook

and planned a meeting of all sections of the industry.

The Opposition leader, Dr John Hewson, told the council that a study of the effect of Fightback! on a beef export abattoir found savings of \$830,000 from the abolition of payroll tax, wholesale tax and fuel excise.

He said producers would receive a benefit of \$8100 a farm as well as from savings in the transport, chemicals and power industries.

In his final council president's report, Ed Wright

urged the industry to concentrate on supplying young, grass-fed, grain-finished beef for Asian markets.

"If we fail to recognise this need, but try and produce our traditional older grass-fed beef, we will be relegated to the bottom of the market," he said.

Queensland cattle producer John Mactaggart was elected president with Mr Wright standing down after completing a three-year term.

# New laws to clear out meat industry

By CINDY WOCKNER

SEVERAL meat industry operators, mainly in Victoria, will soon be removed from the industry.

They will be removed under strict new regulations announced yesterday by the Resources Minister, Mr Griffiths, to stop corrupt and suspect operators.

A confidential report to the Federal Government says organised crime rings are believed to be operating in the industry.

The report is believed to contain allegations of drug running and money laundering by some meatwork operators and their associates.

It is expected to be referred to the National Crime Authority soon and charges could be laid.

It is understood the joint Bureau of Criminal Intelligence and Australian Quarantine and Inspection Service report to the Government links meatwork operators with organised crime in several states.

But the report makes no



● Mr Griffiths ... new laws.

allegations of meat substitution rackets similar to those which rocked the industry in the early 1980s.

The intelligence report follows a special investigation into meat industry operators and extensive surveillance of meatworks and transport operators last year.

It makes no recommendations that anyone be charged but is expected to be referred to the National Crime Authority soon for further action.

State criminal enforcement agencies could also consider the report.

And it is believed the

Government will act soon to remove several operators from the industry, mainly in Victoria.

Mr Griffiths yesterday announced strict new "fit and proper person" regulations in a bid to stamp out corruption.

The Export Control Act has been tightened to eliminate people regarded as unsuitable from the industry.

Mr Griffiths said loopholes in existing legislation made it possible for individuals who were not fit and proper to be involved at arms' length.

Under the new regulations people convicted of criminal offences, people with a history of poor performance of debt repayments to the department and people who have shown a lack of ability or willingness to operate an export business in accordance with the legislation will be banned.

"It is crucial that undesirable operators and undesirable practices are kept out of the industry," Mr Griffiths said.

BRISBANE

# More foreign control of beef feared

By GORDON COLLIE and CINDY WOCKNER in Canberra

FOREIGN domination of the Queensland cattle market would increase with the closure of Darling Downs' beef division, industry leaders said yesterday.

Producers are also worried that prices will suffer with a major competitor out of the market.

Darling Downs had been processing about 2500 cattle a week at major abattoirs in Toowoomba and Brisbane.

The company wound up its beef operations yesterday with the loss of 289 jobs.

"The Downs were a big

player in the market and their influence will be missed," Cattle Council of Queensland director Mr Mick Prendergast said.

"It's bad news for the cattle industry."

Darling Downs, which will continue as a pig processor and smallgoods manufacturer, is a co-operative with several hundred Queensland farmer shareholders.

Japanese interests in Queensland beef processing include several joint ventures and Nippon Ham has major abattoirs.

Australia Meat Holdings, which owns a string of meatworks throughout the state, is 50 percent owned by United States multi-national, Con Agra.

Mr Prendergast said the Darling Downs closure showed the weak state of the beef processing industry and said further contraction was possible.

Cattlemens Union executive director Mrs Ruth Wade said producers would now have their sale options limited.

The Downs had been a strong competitor, buying stock regularly from Rockhampton. Many other abattoirs drew heavily on stock from their own feedlots, she said.

Loss of slaughter capacity was also a concern, with cattle flooding onto the market as producers prepared for a dry winter.

"The season in the north and west is dreadful and there is increasing environmental pressure to unload," she said.

"Any lessening in market competition must affect the price in these circumstances," Mrs Wade said.

■ Organised crime rings are believed to be operating in the meat industry, according to a confidential report to the Federal Government.

The report is believed to contain allegations of drug running and money laundering by meatworks operators and their associates.

It is expected to be referred to the National Crime Authority soon and charges could be laid.

It is believed several meat industry operators, mainly in Victoria, will be removed from the industry soon under strict new laws announced yesterday by the Resources Minister, Mr Alan Griffiths, to stop corrupt and suspect operators.

# CRIME RIFE IN THE MEAT INDUSTRY

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It is understood a joint Bureau of Criminal Intelligence and Australian Quarantine and Inspection Service report to the Government links meat works operators with organised crime in several States.

But the report makes no allegations of meat substitution rackets, similar to that which rocked the

By CINDY WOCKNER

industry in the early 1980s.

The intelligence report follows a special investigation into meat industry operators and extensive surveillance of meat works and transport operators last year.

It looks at operators' backgrounds, their corporate links and business activities.

Mr Griffiths yesterday announced strict new Fit and Proper Person laws in a bid to stamp out industry corruption.

The matters to be considered when deciding a person's eligibility to be involved in the industry

have been extended under the Export Control Act to exclude people convicted of criminal offences, people with a history of poor performance of debt repayments to the department and people who have shown a lack of ability or willingness to operate an export business in accordance with the legislation.

"It is crucial that undesirable operators and undesirable practices are kept out of the industry," Mr Griffiths said.

"This will ensure that Australia maintains and enhances its international reputation as a clean producer of clean meat and other commodity products."

ADELAIDE

# 'Crime rings' in meat trade

From CINDY WOCKNER

CANBERRA: Organised crime rings are believed to be operating in the meat industry, according to a confidential report to the Federal Government.

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*Mr Griffiths: Laws to stamp out corruption.*

which rocked the industry in the early 1980s.

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The matters to be considered when deciding a person's eligibility to be involved in the meat industry have been extended under the Export Control Act.

Mr Griffiths said loopholes in the legislation made it possible for individuals who were not "fit and proper" to be involved.

Main exclusions have been extended to include people convicted of criminal offences, people with a history of poor performance of debt repayments and people who have shown a lack of ability or willingness to operate an export business in accordance with legislation.

"It is crucial that undesirable operators and undesirable practices are kept out of the industry," Mr Griffiths said.

"This will ensure that Australia maintains and enhances its international reputation as a clean producer of meat and other commodity products."

## Meat industry crime claim

### Probe stretches across three States

Sections of SA's meat industry may be under investigation amid claims of links between the industry and organised crime in three States.

The infiltration of organised crime, including drug distribution, asset stripping and money laundering is thought to be centred in Victoria with smaller-scale involvement in SA and NSW.

A report in a national rural newspaper, The Weekly Times, claims a top-level secret probe by a number of law enforcement agencies has been launched to investigate the claims. More than a dozen abattoirs, boning rooms and meat processing facilities in Victoria, NSW and SA were

believed to have been under surveillance since January, the newspaper says.

It quotes a spokesman for Federal Resources Minister, Mr Griffiths, as saying an intensive investigation was underway.

"It is being conducted at a high level and involves AQIS (the Australian Quarantine and Inspection Service) and other agencies," the spokesman said.

"The investigations are about organised criminal activity and the primary focus has been domestic works."

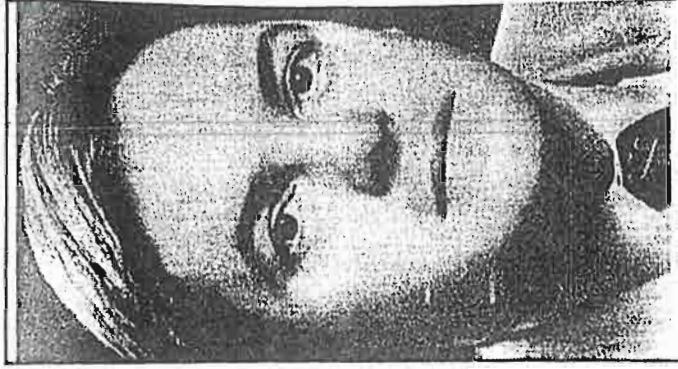
A senior AQIS executive, Mr John Sainsbury, told The News today The Weekly

Times article was close to the mark with its information about the investigation.

He said he could not elaborate because he did not want to jeopardise the probe but said there was a chance certain activities had spilled over to SA.

The National Crime Authority is expected to be brought into the investigation which is looking at links between the industry and organised crime through shelf companies.

The Weekly Times report said sources had claimed criminals were attracted to the industry by the cash-flow and organised transport system which made the industry well-suited for money laundering and drug distribution.



Mr Griffiths

# RISE IN BEEF SALES TO JAPAN UNLIKELY

The problem for meat marketers in Japan is not just selling the best, but proving it is the best. From BRIAN ROBINS in Tokyo

**A**USTRALIA'S rural crisis is deepening following the collapse of the price-support scheme for wool, the slump in prices for wheat and sugar and the market glut of mutton. Now hopes are fading that beef could have been a bright spot for the rural economy this year. Indications are that Japan's beef imports may decline significantly, prompting many agricultural groups and processors to reassess their medium-term plans. The Australian beef industry also faces the possibility of having to supply the cheap end of the market in Japan, as it battles long-standing misconceptions about the quality of its products.

Under long-term commitments made in 1988 Japan has gradually liberalised its tight controls on beef, and Australia has kept its supply to half of the market (200,032 tonnes last year). Japan has been determined to fulfil its commitment under the agreement, and in fiscal 1990 took a total of 400,000 tonnes from overseas. But now Japan has 200,000 tonnes stockpiled, and it is inevitable that its imports will drop this year. Although beef import quotas have been removed, there is a 70% tariff (to be reduced to about 10% during the next few years).

Ralph Hood, the Australian Meat and Livestock Corporation's representative in Tokyo, says: "Some within the industry suggest that total imports in the year to March 1992 may fall below 300,000 tonnes. I happen to think that is too pessimistic. The market is more robust and beef is clearly going into newer areas, which suggests that imports from Australia will be satisfactory."

As tariffs and prices fall during the next few years, shipments from Australia are expected to rise, in spite of the interest that New Zealand and Canada are showing in the

Japanese market. However, the wholesale and retail regulators in Japan have shown little willingness to cut prices, and the few cuts that have occurred in wholesale prices during the past few months have not been reflected in retail prices.

The big problem for Australian beef is that Japan regards its quality as inferior to that of other imports, and channels it to institutions, hospitals, some hotels and fast-food chains. Other beef, mainly from the US, gets premium positions in the market, and the extra profits this brings. No matter how much the Australian Meat and Livestock Corporation tries to fight that market attitude, repeated surveys find that Japanese consumers consider the Australian product tough

**Australian beef goes to the market: Fighting a tough image problem**



and stringy, and claim that US beef is much better. The difference is that Australian cattle are grass-fed, while their US equivalents are likely to be grain-fed. But there are indications that the balance is slowly turning in Australia's favor.

Meat corporation officials say the prejudice is irrational, but no matter how it is defined it continues to be a significant block to Australian ambitions in Japan. Although official figures are not available, market observations indicate that Australian beef is up to 30% cheaper than US beef on landed cost. This is because of the lower cost structure of the industry in Australia, and the country's relative proximity to Japan.

The cost advantage is one reason for the big push by Japanese meat processors to get into the Australian beef industry. Hood says: "There have been declines in the wholesale prices of some beef products, including some chilled grass-fed and grain-fed cuts, where the product categories have fallen 10%, and dairy carcasses, where prices have fallen 15-20%. But there has been little downward trend in retail prices following the cuts at the wholesale level. That may be contributing to the slow stock movement. Some chains are making a good profit on their beef business, given the wholesale price cuts. There is a lot of expectation that retail prices will become more competitive, and we will see more competitive prices for a range of beef products. Some argue that price cuts don't help to lift sales. We'll see. Shoppers in Japan are just as price-conscious as shoppers anywhere."

Even so, in the business of marketing branded products in Japan it has been well established that price-cutting is counter-productive. Johnny Walker scotch wrecked its image and its market share in Japan when it adopted an aggressive pricing policy. That was years ago, and the brand still has not regained its image locally. Many beef retailers are launching house brands in Japan. They are seeking cheap meat for their ventures, but there is no doubt they will set prices as high as they can.

The meat corporation in Australia has worked hard to win retailer support to promote Australian beef. The work has been backed by occasional marketing campaigns that have depicted Australian beef as a "natural" product. This is an obvious and sound strategy, but in a country where environmental consciousness is minimal, the meaning of "natural" may not be fully grasped. One example of the new in-house brands is Meat Kurabu, launched by Daimaru, one of the smaller local department store chains. Beef used in the product comes from the US, Australia and New Zealand.

# BODIES MINCED, MP CLAIMS

SYDNEY homicide squad detectives will investigate claims in Federal Parliament that National Parks and Wildlife officers murdered people and put their bodies through mincers.

Det. Sen-Sgt Warwick Laney said yesterday he had been asked by the NSW Police Commander to "look at" the sensational documents tabled on Thursday night by Democrat Senator Meg Lees.

A senior Aboriginal leader is quoted in the documents, admitting that he saw a man's body minced up with pet food.

It is alleged the NSW Parks and Wildlife officers and directors took bribes to allow certain people to stay in the kangaroo meat industry and others not.

Senator Lees told Parliament they linked senior park officers with bird trapping and smuggling, meat substitution and

several murders. But a parks manager last night said the allegations were bizarre.

"All I can say is I think it's a great shame these sorts of allegations have occurred; they are obviously inclined to bring the reputation of the service into disrepute," said Chris Eden, the manager of the NPWS western region, where two murders are alleged to have occurred.

The documents tabled in Parliament included:

- An alleged transcript of a taped conversation between the NSW western region commissioner for the Aboriginal and Torres Strait Islander Corporation, Steve Gordon, and a man named "Raymond Hoser".

- An interview between

Steve Gordon and a journalist.

- A confidential note from NSW government official Gary Sturgess.

In the transcripts, Mr Gordon allegedly admits to an underworld past, saying he was a middle-man in bird smuggling.

The conversation alleging officers put people through mincers occurred on March 27 this year.

In it, Mr Gordon is quoted alleging that NPWS staff put one person through a pet food mincer in St George, Queensland, and drowned two brothers in Bourke, in north-western NSW.

The events are alleged to have occurred about 1980.

Missing "kangaroo king" Andy Komarnicki, 60, who has not been seen since January 1980, was named

in the papers. Mr Komarnicki, who owned a kangaroo skin works in St George, was found in a coronial inquest to have been murdered by persons unknown, although his body was never recovered.

Mr Gordon had said people were paying NPWS up to \$20,000 to keep new players out of the kangaroo industry.

He also said he saw someone go through a mincer and thought he was next in line, so he shut up.

Mr Gordon alleges two brothers in Bourke were murdered and their bodies put in a car in a dam to make it appear they drove off the road.

When contacted by the *Herald-Sun* yesterday, Mr Gordon said he did not know Mr Hoser.

EDITORIAL, May 25, 1992

# Beef talks hide quota

The pastoral industry is usually out of sight and out of mind for people in urban centres such as Darwin.

But the industry remains the third largest in the Territory after mining and tourism and contributes something in the order of \$130 million a year to the Territory economy.

It is doing badly at present because the drought and the Brucellosis and Tuberculosis Eradication Campaign have wiped out much of the industry.

But more damage could be on the way if ongoing negotiations between Australian and United States officials end up with "voluntary restraints", a euphemism which hides protectionist measures for American meat producers.

About 90 per cent of all Territory meat exports go to the United States. That is a lot of beef, between 325 000 and 365 000 tonnes a year.

This will be reduced to a quota of about 110 000 tonnes for the rest of this year — a precipitous drop which will hit the pastoral industry very hard.

The Primary Industry and Fisheries Minister, Mr Mike Reed, has expressed the Territory Government's serious concerns at the possibility of quotas and has asked the Federal Primary Industries and Energy Minister, Mr Simon Crean, to consider the impact of quotas on the Territory.

## Advantage

Quotas are not new and have been in place for several years. What is new this year is the advantage given to southern exporters by the formula under which the Australian Meat and Livestock Corporation allocates export share.

Quotas are determined on worldwide shares of unused markets and they apply only to the unused portion of the annual allocation.

But because the Territory and north-western Australia have only a limited kill season (the abattoirs operate mainly between April and October) they must produce enough meat to carry them through the fallow season.

The amount of meat already shipped out exceeds the proposed quota and this means a big question mark hangs over further big exports and, therefore, over producers.

What it means is early closure of the two Territory abattoirs, as well as the one at Broome, fewer jobs and less export income.

Diversification into live cattle exports is not the answer because the two types of cattle are quite different.

We need our fair share of the US market and for that we need some fairness from the Australian Meat and Livestock Corporation.

# Outlook for farm market improves

AUSTRALIAN

29.5.92

By FIONA CAMERON

FARM values have fallen by between 30 and 60 per cent since the 1989 market peak, the latest National Rural Market Report from real estate agency Elders says.

But firm commodity prices and better than average seasonal conditions across South Australia, Victoria and Western Australia this year augur well for the market, Elders' South Australian manager, Mr David Duell, says.

The agency's Queensland manager, Mr Dick Allpass, says that during the slump it was the lesser quality properties that deteriorated most in value.

"We have now entered a new phase, with strong buyer inquiry in the market. However, the focus of their attention is on productivity costs and return on funds," he says.

"The demand for increased efficiency will continue to precipitate major readjustment within the rural sector as farms are amalgamated to meet the needs of a changing market environment."

The report shows that rural properties in Queensland alone worth a total of at least \$5.4 million have changed hands in the past month.

Sales included the 6500ha Kingaroy property Junna (\$1.25 million including 800 quality hereford breeders), The Rauch at Dalby (\$875,000), Cringlea at Charters Towers (\$575,000), Binnowiee at Banana (\$502,000) and Cleethorpes at Rockhampton (\$500,000).

In South Australia, Mr Duell says the south-east has had its best start since 1983, with good early rains providing significant feed growth under mild weather conditions.

In autumn, Elders had a 70 per cent auction clearance rate on big properties and there is now a shortage of properties for sale.

At Peterborough, Ketchowia Station sold at auction recently for \$492,000 after strong competition from six bidders.

The West Australian manager, Mr Dudley Jones, says a significant trend this year has been the much lower incidence of cancelled sales, which are now 56 per cent lower than last year.

Significant recent sales in the State totalled more than \$2.9 million, including two properties at Esperance for a total of more than \$1 million and two at Maujimup for a total of more than \$500,000.

The Victorian manager, Mr Bob Sherwell, says the traditional wisdom that says not to try to sell farms in winter or early spring may be wrong, judging on results in recent years.

Unlike the spring auction "rush", properties offered in the winter period are not in competition with large numbers of similar properties.

# Card cash 'to help abattoir investor'

SUN. 12-9-91

By ALLISON SLOAN

A FORMER director of a VEDC-backed abattoir sought a \$US43,000 advance on his Visa card while travelling in the Middle East, a court heard yesterday.

The former director told Melbourne Magistrates' Court the money was needed by a potential investor in the abattoir to help raise finances.

Aly Elkhishin said he sought two advances — \$US21,000 and \$US22,000 — which were paid in cash to the businessman who wanted to invest \$35 million in the Melbourne-based Islamic Abattoirs.

Elkhishin told the court the deal fell through and the \$US43,000 was never reimbursed.

He denied he then used money from Islamic Abattoirs' bank account to pay for his \$70,000 Visa card bill.

Elkhishin, 41, of Preston, faces 17 charges of breaching his duty as a director of Islamic Abattoirs after the Australian Securities Commission alleged Elkhishin and his brother embezzled \$500,000 from the company.

Essam Elkhishin, 33, also of Preston, faces 34 similar charges.

Magistrate Ms Jelena Popovic had heard evidence that the now-defunct VEDC encouraged the brothers to seek overseas investors while the abattoir was in receivership.

The Elkhishins regained control of the business in October 1988 after the VEDC approved a Singapore-based investor.

During cross-examination by prosecutor Mr Bernie Fitzgerald, Aly Elkhishin claimed that all expenses incurred on his overseas trips were on behalf of the business.

He denied having used money belonging to Islamic Abattoirs to pay for his Visa card, claiming the bill was paid using \$80,000 paid to him for sale of his shares in the business.

Elkhishin said he intended to wait until Islamic Abattoirs got back on its feet before seeking to recover costs of the trips through the company.

Elkhishin denied the liquidators appointed to Islamic Abattoirs sought repayment for the \$70,000 Visa card bill.

The court also heard that a Shepparton businessman who agreed to put up \$500,000 as bridging finance until Mr Syahbudin's money came through in October 1988 may have not been fully aware of the arrangement.

Mr Stuart Davidson earlier told the court he believed he had lent the \$500,000 to Islamic Abattoirs and not to Mr Syahbudin, on the promise he would earn \$50,000 interest.

The hearing is due to continue today.