

PERTH MARKET AUTHORITY — ASSET SALES PROGRAM

**613. Mr P. ABETZ to the Treasurer:**

Before I ask my question I would like to acknowledge in the public gallery the year 8 students from Wanneroo Secondary College from the member for Wanneroo's electorate.

Could the Treasurer please provide an update on the sale of the Perth Market Authority as part of the state government's asset sales program?

**Dr M.D. NAHAN replied:**

I thank the member for the question. I am really pleased to announce that Market City is on track to be the first asset sold under our asset sales program. A key milestone in the sales process was reached last week when expressions of interest closed. As the member knows, Market City is the metropolitan area's, and indeed the state's, major wholesale and trade distribution hub for fruit and vegetables. It is situated in Canning Vale on the edge of the electorate of Riverton. It has transactions of about \$500 million a year, so it is a major project. As the member also knows, we announced it as one of our first tranche of asset sales. At the outset, the asset sales process is being led by Treasury with lead advisers being Ernst and Young and Jones Lang LaSalle. It was complicated, as almost all transactions of this nature are, so we have spent the last six months or more having intensive discussions with all interested parties—of course, the board, workers from the Perth Market Authority, various fruit and vegetable traders, the growers, the buyers and the community at large.

As part of that we got some very useful information and put restrictions on the sale. Those restrictions include making sure that there is adequate warehouse capacity both now and in the future, putting minimum limits both now and in the future, and making sure that no one party dominates. The restrictions on the sale process were that no party could have more than 20 per cent of the floor space. Also in the sale requirement was that existing trading rules are maintained in the future. That has been a rather fruitful process. The number of submissions received shows that there is a great deal of interest in the sale, and it is indeed an attractive long-term investment for many parties. Now we will take a shortlist of the interested parties, vet them and choose a small number of them to put a final bid in. We are on track to make a decision at the end of this year and to announce the sale of the Perth Market Authority early next year.