

**Western Australian Meat Industry Authority —**

Mr T.J. Healy, Chair.

Mr D.A. Templeman, Minister for Local Government representing the Minister for Agriculture and Food.

Mr G. Lott, Chief Executive Officer.

Dr B. Mullan, Director, Livestock Research and Development, Department of Primary Industries and Regional Development.

Mr C. Thurley, Chief of Staff, Minister for Agriculture and Food.

Mr G. Hamley, Chief of Staff, Minister for Local Government.

[Witnesses introduced.]

**The CHAIR:** This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. Members may raise questions about matters relating to the operations and budget of the off-budget authority. Off-budget authority officers are recognised as ministerial advisers. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point.

The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 31 May 2019. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system. Thank you to our advisers who are departing and welcome to those who are arriving.

I give the call to the member for Moore.

**Mr R.S. LOVE:** Thank you for coming along tonight. I have a couple of questions about the Muchea saleyards. There has been talk about the Muchea saleyards being leased out to a prospective operator and perhaps that operator establishing some new cattle yards in the south, in Boyanup or that general area. What is the involvement of the Western Australian Meat Industry Authority in any of those considerations, and would the authority be taking any advice from or giving advice to government about what would be a suitable proposal and some of the key issues that need to be dealt with in terms of establishing a private operator in either Muchea or Boyanup?

**Mr D.A. TEMPLEMAN:** I am happy to ask Mr Lott to respond to those couple of questions.

**Mr G. Lott:** Firstly, the process for the potential lease of the Muchea saleyards and something to happen with the Boyanup saleyard commenced towards the end of last year. Expressions of interest were called for from industry participants to do two things: first, to find a south west saleyard solution, given that the Shire of Capel had given the incumbent lessee notice that it wanted that land back at the end of 2022; and, secondly, if a participant were interested, to also put a proposal forward to lease the Muchea operation. The expressions of interest process involved an across-government panel of people from the State Solicitor's Office and the Western Australian Treasury Corporation. WAMIA was represented on that panel, as was the Department of Primary Industries and Regional Development and the Department of Planning, Lands and Heritage. Through that process, we received five expressions of interest. The committee formed the view that two of those would be worth pursuing and have the potential to provide a solution to one or both of those issues. Since then, we have been working to get to the request-for-detailed-proposal stage of that project. Those two successful respondents will be asked to provide some concrete evidence and information about what their proposals look like. Again, reviewing the RFDP stage of that project will be an across-government forum of people to examine what is the best outcome for the state.

**Mr R.S. LOVE:** Do both of those proposals involve the operation of both the Muchea saleyard and a cattle yard in the south?

**Mr D.A. TEMPLEMAN:** I am happy for Mr Lott to respond.

**Mr G. Lott:** The scope for both proposals includes both saleyards, but word cannot get out about what that number looks like as it is covered by commercial-in-confidence.

**Mr R.S. LOVE:** The minister would be aware that the Muchea employment node sits adjacent to the Muchea saleyards. Do any such proposals involve that area of vacant land that is adjacent to the saleyard, or, in the view of the proposals being put forward, is that a separate area to the saleyard operations?

**Mr G. Lott:** That has not been discussed at all at this stage. We sit on about 305 hectares up there. As the member would be aware, works are going ahead in that area with the Muchea industrial park et cetera. If somebody were to take over the WAMIA operation, it is unclear whether that would have an impact.

**Mr R.S. LOVE:** I have one more follow-up question. In terms of the industrial land adjacent to the saleyard, has there been any thought or discussion of some sort of integration of further processing or an operation aligned with a value-add to the stock to be incorporated in any such proposals?

**Mr G. Lott:** Yes, there has been. There are some papers that are reasonably old now that talk about an agribusiness precinct in that area. WAMIA has looked at the potential to perhaps extend some yards to operate potentially a feedlot with some pastures—all of that. We have also had a recent request from one of the developers involved who wants to buy some sand and develop some of the land, so, yes, those things are being considered.

**Dr D.J. HONEY:** I refer to the table on page 237 of budget paper No 2, volume 1. Do we have any key performance indicators or any indication of performance of the saleyards that is in the throughput or cost per annum put through the saleyards?

**Mr G. Lott:** The throughput of the saleyards this year will be in the region of 93 000 cattle and 530 000 sheep. At that level, the operation makes a small earnings before interest, tax, depreciation and amortisation contribution, but it does not make money at the bottom line because the infrastructure is carried at historical cost, which is significant, and there is around a \$1.8 million per annum depreciation bill.

**Dr D.J. HONEY:** Is there any intention to have some sort of transparent metrics to monitor ongoing performance?

**Mr D.A. TEMPLEMAN:** I am happy for Mr Lott to respond.

[8.00 pm]

**Mr G. Lott:** We publish an annual report each year and any key performance indicators et cetera can be gleaned from there.

**Mr R.S. LOVE:** On the animal activism that occurred at the saleyards, have any extra security or protocols been put in place to combat a repeat of that type of invasion of the business area?

**Mr D.A. TEMPLEMAN:** Mr Lott.

**Mr G. Lott:** The answer to the first question is that we have increased security, particularly shortly after the event. We have engaged with the WA police on a number of occasions to find out what is possible and what is not possible, so I now have some very clear direction on what I can do should that circumstance happen again. Yesterday, we installed numberplate recognition cameras on the front gates. We are aware of the issue and are working with the police to make sure that, should there be a repeat, we are much better placed than we were the last time.

**The CHAIR:** That completes the examination of the Western Australian Meat Industry Authority.