

Western Australian Meat Industry Authority—

Mr P. Lilburne, Chair.

Mr D.T. Punch, Minister for Regional Development.

Ms I. Loo, Acting Chief Executive Officer.

Mr T. Palmer, Chief of Staff, Minister for Regional Development.

Mr A. Buck, Senior Policy Adviser.

[Witnesses introduced.]

The CHAIR: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available online as soon as possible within two business days. Questions must relate to the operations and budget of the off-budget authority. The chair will allow as many questions as possible. Questions and answers should be short and to the point.

A minister may agree to provide supplementary information to the committee. I will ask the minister to clearly indicate what information they agree to provide and will then allocate a reference number. Supplementary information should be provided to the principal clerk by noon on Friday, 31 May 2024. If a minister suggests that a matter be put on notice, members should use the online questions on notice system to submit their questions.

I give the call to the Leader of the Opposition.

Mr R.S. LOVE: I refer to page 129 of budget paper No 2, volume 1, which is the Treasury section. It mentions a payment of \$1.628 million from Treasury to the Western Australian Meat Industry Authority in this budget year. I further refer to footnote (y) on page 130, which says —

Funding to support the viability of the Western Australian Meat Industry Authority.

Why does the Western Australian Meat Industry Authority need a special injection of \$1.6 million at this point, noting that there is nothing in the previous years and the forward years. What has required Treasury to bail out the Western Australian Meat Industry Authority to the tune of \$1.628 million this year?

Mr D.T. PUNCH: I will ask Ms I-Lyn Loo to respond.

Ms I. Loo: Thank you for the question. The \$1.628 million is to fund enhanced resource maintenance programs for the Muchea Livestock Centre. It is also to look into the reinvigoration and enhancement of the authority's regulatory functions, as well as to support administration reporting policy analysis and advisory functions. The Muchea Livestock Centre is a very expensive facility to maintain. To minimise the cost impact on industry, we are grateful for the government injection of funds to help us ensure that the facility is available in the long term for industry.

Mr R.S. LOVE: I understand the Western Australian Meat Industry Authority retained a fairly large amount of money that was residual from the sale of the old Midland saleyards. Can the minister confirm that it has basically run through all that money in operational losses?

Ms I. Loo: We still have a cash reserve, but the cash reserve is earmarked for improvements and upgrades to the Muchea Livestock Centre.

Mr R.S. LOVE: How is that different from what the \$1.628 million is to be used for?

Mr D.T. PUNCH: I will ask Ms Loo to comment in a moment. The \$1.628 million actually represents a reinvigoration of WAMIA's role. This is an additional investment by government above and beyond the cash reserves that it used to support operational maintenance et cetera. I will ask Ms Loo to go through the details.

Ms I. Loo: I will provide a breakdown of the \$1.628 million. There is \$606 000 for the enhanced repairs and maintenance program for the Muchea Livestock Centre. This is in addition to the regular maintenance program. In doing this, the government has provided a cash injection so that we can reduce maintenance costs in the long run by addressing minor repairs and preventing them from escalating to major issues. We also have \$513 000 to reinvigorate and enhance WAMIA's regulatory function. Back in November last year, the board undertook a review of the strategic plan. As part of that review, it was identified that one of the goals for WAMIA is to provide effective and efficient meat-processing regulation and compliance focused on equity and fairness that supports the reputation of the WA meat industry, and so \$513 000 would go towards that. We also have another \$509 000 to support the policy analysis and advisory functions. The work program here will be focused on the analysis of the data with a view to providing robust and timely advice to government to support its decision-making. It also aims to improve transparency in the supply chain, ensuring that regulations are fit for purpose and meet contemporary best practice legislation standards.

[4.00 pm]

[Mr S.J. Price took the chair.]

Mr R.S. LOVE: Does the minister accept that Treasury's description of the investment, which is to support the viability of the Western Australian Meat Industry Authority, implies that without a cash injection the industry authority is unviable?

Mr D.T. PUNCH: No. The advice I have received is that the funding is to support WAMIA's role in operating the Muchea Livestock Centre, abattoir regulation and compliance, and enhanced policy and industry advice functions, as the acting CEO has indicated. In part, that cash injection is to ensure that we do not have to look at increasing fees within the industry as a whole, given the current state of the industry.

Mr R.S. LOVE: The responses of the minister and the authority's representative mentioned that some reserves are left from the Midland saleyards fund. What is the level of reserve held by the Meat Industry Authority now?

Mr D.T. PUNCH: I will provide that by way of supplementary information. I will provide the amount held by the authority from the sale of the Midland saleyards. Did you get that, chair?

The CHAIR: Would the minister like to repeat that one more time?

Mr D.T. PUNCH: I will provide as supplementary information the amount of funds held by the Western Australian Meat Industry Authority from the sale of the Midland saleyards.

[*Supplementary Information No B18.*]

Mr R.S. LOVE: I have one more follow-up question and I think the member for Roe has some questions.

Can the minister confirm that in the past few years none of the reserve funds has been used to pay for the ordinary running of the Muchea complex?

Mr D.T. PUNCH: Could the member repeat the last part?

Mr R.S. LOVE: Can the minister confirm that none of the reserve held has been used to pay for part of the ordinary running costs of the Muchea Livestock Centre?

Mr D.T. PUNCH: I will ask Ms Loo to respond.

Ms I. Loo: The short answer is yes. Funds from that cash reserve have gone towards the ordinary running—if that is what the member means—of the authority. We have not fully cost-recovered our costs from the actual fees and charges that were imposed on the users of the Muchea Livestock Centre. About one and a half years ago we increased the fees and charges in the Muchea Livestock Centre to better improve the cost-recovery ratio for us. However, at the moment we are still not at full cost recovery. This injection of funds from the government will help us cap the future increases in fees and charges to the consumer price index of 2.5 per cent.

Mr R.S. LOVE: Can the minister either tell me or provide to me by way of supplementary information how much has been taken from the reserve to pay for the ordinary running costs that have just been outlined?

Mr D.T. PUNCH: Yes, we will provide by way of supplementary information the amount of funds that have contributed to the operating costs and the reduction of the overall fees and charges to farmers from the funds held by the sale of the Midland saleyards.

[*Supplementary Information No B19.*]

Mr P.J. RUNDLE: I refer to the electronic identification scanning equipment on page 175 of budget paper No 3, which states —

The Western Australian Meat Industry Authority will spend an additional \$74,000 to procure and install sheep and goat electronic identification scanning equipment ...

I have been made aware of issues at the Muchea saleyards and its very rushed approach to procuring this new scanning equipment. Was this equipment installed ahead of the budgeted timeframe, and how many quotes were received for this work?

Mr D.T. PUNCH: First of all, I do not accept the premise that this has been a rushed approach. The Western Australian Meat Industry Authority takes its work very seriously. The purpose of this is to procure and install sheep and goat electronic identification scanning equipment, and two quotes were received through the Department of Finance's procurement process.

Mr P.J. RUNDLE: Would the minister be able to supply copies of those quotes?

Mr D.T. PUNCH: I am advised that that information is commercial-in-confidence and is not normally released.

Mr P.J. RUNDLE: I am curious about what consultation was done with the users within the saleyards about this new equipment. I understand that a three-way drafting gate configuration was selected for the new equipment. Were the users and the industry consulted, and why was the three-way drafting gate configuration selected?

Mr D.T. PUNCH: I am advised that there was consultation with a range of individuals and groups from industry and government who were interested in the practical implementation of sheep and goat electronic identification in WA. The gating system to which the member referred was a consequence of constraints at the saleyard.

Mr P.J. RUNDLE: Sorry; the three-way drafting system was a consequence —

Mr D.T. PUNCH: It was a consequence of the constraints of the saleyards.

Mr P.J. RUNDLE: As an experienced drafter of between 18 months to two years at the Katanning saleyards, which has a four-way draft, I can assure the minister that the productivity of a four-way draft versus a three-way draft is substantially higher. I understand that not all users were consulted and that there is dissatisfaction with the resulting three-way draft. I would like to know what consultation was had, because it does not appear to have been the right consultation.

[4.10 pm]

Mr D.T. PUNCH: The member may have a different opinion, but the advice I have is that individuals and groups were consulted and the process of selecting the system was the appropriate one for Muchea. The member might disagree with it; that is his entitlement. But the advice I have is that it was based on consultation, and the Western Australia Meat Industry Authority undertook the decision it did.

Mr P.J. RUNDLE: I disagree with that, because straightaway we have got a reduction of 25 per cent of output because the sheep will have to be run around again. Aside from that, is there an increase in animal welfare risk, a resulting loss of productivity and an increase in operating costs?

Mr D.T. PUNCH: All I can suggest is that the member may want to apply for a job when it comes up at the saleyards if he can do it better. That might create a vacancy in Roe, which could be well received.

Mr P.J. RUNDLE: Maybe when I get turfed out of Parliament, I will reconsider that offer, minister!

On a serious note, I am very concerned, as are some of the users out there. That is the information I have. Will the minister consider meeting with the actual users to address and rectify these issues, and take along the Minister for Agriculture and Food?

Mr D.T. PUNCH: Chair, I think we are straying from the intent of the budget item.

Mr P.J. RUNDLE: It is in budget paper No 3.

Mr D.T. PUNCH: If the member would like to put in a request to the Minister for Agriculture and Food in relation to meeting with those stakeholders, I am sure she will give him the appropriate response.

Mr P.J. RUNDLE: The minister may not be aware, but I want to point out that the government has allocated about \$23 million to the goat and sheep electronic identification project. I asked a question in the Legislative Assembly on this to a chorus of baas and hooting noises and the like, which shows a lack of understanding by the Labor Party of the importance of this project. Part of that is the importance of the drafting program that is associated with the electronic identification system. This is an important matter, and the three-way drafting system, compared with a four-way system, is a major loss in production at the Muchea saleyards.

The CHAIR: Member, that was a statement. I do not believe there was much of a question in that.

To answer the previous query about relevance; it is within budget paper No 3.

Mr P.J. RUNDLE: I think the minister is just about to supply some further information.

Mr D.T. PUNCH: I have listened very carefully to the member's opinion, but I have to reiterate that the authority has based its decision on consultation and the exploration of options, with the saleyard manager travelling to the eastern states to look at all the available systems, and considered the issue in relation to the space available at the Muchea saleyards. I appreciate that the member has a different view from the decision of the authority. I am advised that the authority has made its decision based on the best information available and in consultation with stakeholders. I am not sure that I can give the member any more on this, and if people are dissatisfied, the decision has been made and they need to work with the authority to look at ways of extracting the most efficiency out of that facility.

Mr P.J. RUNDLE: Therefore, is the conclusion that we have an ineffective system, but people will need to work with that result regardless, even though it is in the very early stages?

Mr D.T. PUNCH: I hope the member was not implying or putting words into my mouth because that is not what I said. That is the member's opinion, and I appreciate that he might want to get that into *Hansard* and be seen to advocate on behalf of his constituents. As I reiterated, the authority has gone through a reasonable process and has made a decision to optimise the efficiency of the facility.

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

