

**House of Assembly
1 December 2009**

MEAT PRODUCTION AND PROCESSING SECTORS

526Mr PEDERICK (Hammond) (15 September 2009). With reference to Budget Paper 4, Volume 1, page 5.6 of the 2008-09 Budget regarding Highlights for 2009-10—

(a) what are the three major investment projects in the meat production and processing sectors;

(b) what support or incentives were offered or provided to each project;

(c) what is the projected cost to the state of that support and over what period of time is it expected to be disbursed; and

(d) what assurances or guarantees are there to protect taxpayers' investment on each of these projects in the event of a project's non-completion or short-term failure?

The Hon. P. CAICA (Colton—Minister for Agriculture, Food and Fisheries, Minister for Industrial Relations, Minister for Forests, Minister for Regional Development): I am advised:

(a) The investments referred to in the budget paper are—Primo Smallgoods, Inghams Enterprises and investors in chicken meat grow out facilities.

(b) The primary support provided to these projects were:

- Primo Smallgoods—PIRSA provided case management support to the company after a devastating fire in 2007. This support enabled the company to continue processing pork (using facilities in Murray Bridge and Royal Park) while rebuilding their Pt Wakefield works. Other support included temporary support for employees, assistance with transport costs and access to the Regional Development Infrastructure Fund. This has resulted in a \$27 million rebuild.
- Inghams Enterprises—PIRSA provided case management support to the company in light of their proposed expansion in South Australia. Other support included access to the SA Structural Adjustment Fund and Premises SA scheme. As a result, the Company has invested significant capital (well over \$100 million) into their primary and secondary processing plants as well as a hatchery.
- Chicken meat grow out facilities—PIRSA has and continues to provide support to a number of investors in production facilities for both Inghams Enterprises and Baiada. The support is primarily based on identifying suitable locations and providing a single point of contact across State and Local Government. This support has seen the rapid expansion in this sector with well over \$50 million invested in new farms.

(c) The cost of the support was:

- Primo Smallgoods—The primary support provided to company was a grant of \$679,891 for 50 per cent of the costs of electrical and water infrastructure through the Regional Development Infrastructure Fund.
- Inghams Enterprises—This project has received support of \$7 million through the SA Structural Adjustment Fund of which the SA contribution was \$879,570 with the remainder from the Commonwealth. Inghams Enterprises have also accessed the Premises SA scheme through a deferred purchase agreement of \$52.2 million, which requires principal plus interest payments over ten years.
- Chicken meat grow out facilities—No financial support has been provided to these investors.

(d) Significant terms and conditions are imposed on the provision of government funds to ensure that the particular reasons and objectives for granting that funding are met. The

primary mechanism for this is via Funding Deeds that are executed by both parties and detail the outputs to be delivered. All Funding Deeds have particular repayment and disqualifying events imposed on grantees as part of the terms and conditions of the funding.