

# REGIONAL IMPACT ASSESSMENT STATEMENT

## BIG RIVER PORK PTY LTD

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### Agency

Primary Industries and Regions South Australia – Regions SA

### 1. Expansion of Big River Pork Pty Ltd

#### 2. Issue

Big River Pork Pty Ltd (BRP) has sought a grant of \$900,000 towards an expansion of its existing Murray Bridge processing facilities in order to increase its capacity.

Funding would be provided in equal contributions of \$450,000 from the Regional Development Fund (RDF) administered by Primary Industries and Regions SA (PIRSA) and the Economic Investment Fund (EIF) administered by Investment Attraction South Australia (IASA).

The expansion would enable BRP to secure a 10-year contract with a large retailer, to supply processed, boned pork product. The increase in capacity would also allow BRP to tender for other contracts, including potential overseas opportunities.

The opportunity would represent stepped growth for the business, and provide it with the chance to significantly increase turnover, profitability and employment levels.

#### 3. Region(s) impacted by the proposal

The proposed expansion is to be located in Murray Bridge, which is in the Murray and Mallee Region.

#### 4. Stakeholders Affected by the proposed initiative

Stakeholders affected by the proposal include the:

- The Rural City of Murray Bridge; and
- Murray and Mallee community.

#### 5. Stakeholders Consulted

Stakeholders consulted to date include:

- The Rural City of Murray Bridge;
- Primary Industries and Regions SA – Agriculture Food and Wine; and
- Primary Industries and Regions SA – Regions SA.

#### 6. Consultation

Regions SA sought comments from across PIRSA and from the Rural City of Murray Bridge. The feedback received acknowledged that there is strong local government and agency support for the project.

BRP is already a strong regional employer with over 200 employees and takes pride in investing in local people. The processing expansion is supported by the South Australian pork production industry, and is recognised as necessary to the growth of the production

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sector. This is emphasised by a recent fire at the SunPork Fresh Food's processing facility in Queensland which destroyed its boning room.

The project aligns with the South Australian Government's Strategic Priority 7: Premium Food and Wine from our Clean Environment, numerous targets in the South Australian Strategic Plan, and the Rural City of Murray Bridge Strategic Plan 2016-2020.

No letters of support were included with the submission for RDF funding.

### 7. Summary of Impacts and Analysis

#### 7.1 Economic Factors

BRP has sought a \$900,000 grant towards an expansion of its existing Murray Bridge processing facilities in order to increase its capacity.

The total project cost is \$14 million with the company investing \$13.1 million.

The investment is heavily weighted towards the front end, with \$8.6 million required in 2016-17, followed by \$2.3 million in 2017-18, \$1.3 million in each of 2018-19 and 2019-20, before tapering to \$400,000 in 2020-21.

While project timing is yet to be finalised, the most recent projection in terms of additional pig numbers are as follows:

- Step 1: an additional 1,500 pigs per week, commencing in March 2017
- Step 2: an additional 2,000 pigs per week, commencing November 2017
- Step 3: an additional 2,000 pigs per week, commencing November 2019.

#### 7.2 Social Factors

There is a positive impact on the families, society and community in the region associated with this proposal.

In addition to the creation of 140 ongoing FTE jobs and an estimated 25 jobs during the construction phase, the applicant advises that whilst the new 10-year contract specifies 3,500 units per week, direct communication with the customer has outlined their intent to have a further 2,000 units conservatively supplied by Nov 2019 and a further 4,500 units in the medium term.

The project proponent has a demonstrated commitment to employing locally.

#### 7.3 Environmental Factors

There is no assessable environmental impact associated with the expansion of the processing facilities.

#### 7.4 Equity Factors

There is a minor positive equitable impact, as local employment will be created in both the short term during construction and on-going in the expanded facilities, providing opportunities for employment within the community.

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### 8. Mitigation

No mitigation is required.

### 9. Coordination

IASA and Regions SA provided a coordination and liaison role between the applicant and the Assessment Panels.

### 10. Preferred Option

The preferred option is to grant up to \$900,000 to BRP towards an expansion of its existing Murray Bridge processing facilities in order to increase its capacity.

Funding is to be provided in equal contributions of \$450,000 from the RDF administered by PIRSA and the EIF administered by IASA.

### 11. Agency Contact Details

Ms Nicolle Sincock, Director, Investment Attraction South Australia, 8303 2174

Mr Gary Rayner, Manager Grants, Regions SA, 0434 600 909