



SHIRE OF CAPEL – AGRIBUSINESS PRECINCT, BOYANUP SALEYARDS AND SW LIVESTOCK INDUSTRY

The Opportunity

The Western Australian beef cattle producers generated around \$857 million in slaughter sales in 2015-16. The state has a beef cattle herd of approximately 2 million head, distributed across approximately 2,600 properties (ABS, 2017a).

Despite representing only 12% of the state’s cattle herd, South-West WA represents approximately one-third of the state’s cattle producing farms. This reflects the smaller size of farms in the region – both in terms of their size and the value of output.

Beef cattle represents a larger share of agricultural output in the higher-rainfall South West region than it does in the state overall, particularly in major grain producing areas.

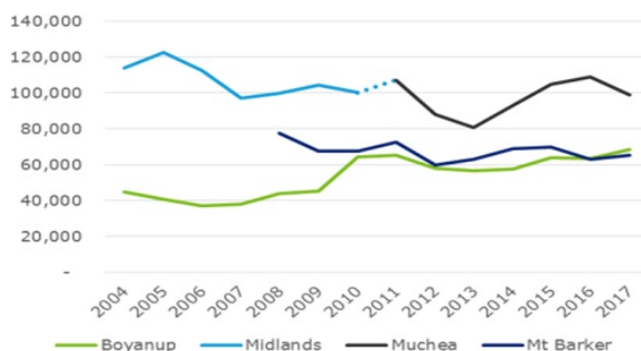
As the largest grain producing state, cattle (and other livestock industries) represent a smaller share of agricultural output.

Table 2.1 Overview of the South West and Western Australian beef cattle industry, 2016

| | South West WA ³ | Western Australia |
|---|----------------------------|-------------------|
| Number of producers | 837 | 2,552 |
| Total beef cattle herd | 230,499 | 1,878,471 |
| Average herd size | 275 | 769 |
| Value of cattle/calves sold for slaughter | \$123.7m | \$857m |
| Cattle/calves as a percentage of total value of agricultural production | 14.8% | 10.5% |

Source: ABS (2017a, 2017b).

Chart 3.2 Number of cattle sold through Boyanup and nearby saleyards



Source: WAMIA (2017).

Currently around 70,000 cattle are sold at the Boyanup Saleyards annually, drawing stock from predominantly small herd holdings throughout the South West region.

The Shires Deloitte’s Economics report (2017) identified that given the small-herd holdings of SW farmers, transport costs and distances to other saleyards (Muchea and Mt Barker), the location of the Boyanup Saleyards is critical to the viability of the industry.

The Proposal

A new, relocated and fully developed Agribusiness Precinct within the Shire of Capel will provide for current and future needs / opportunities identified will include the following core services:

- Livestock agistment.
- Saleyards.
- Service kill / custom kill abattoir and service collaborator.
- Meat processing and packaging.
- Cold storage.
- Intermodal transport hub / interchange.
- Meat waste and biowaste processing.
- Food, fruit and vegetable storage, packing and distribution.
- Renewable power generation; and
- Intensive agriculture / stockfeed lots.

The agribusiness precinct will host a wide variety of supporting agricultural businesses, creating synergies and productivity gains through their proximity, common use infrastructure, and shared supply chains.



Many of these businesses are likely to be 'agnostic' to what type of agricultural business acts as an anchor for the precinct. Some potential supporting businesses include logistics, value-add processing, education and workforce training, and a wide variety of support businesses such as truck wash down facilities, stock agencies, mechanical workshops, nurseries and fuel depots.

Outcomes

Since signing the current lease in 2022, there have been significant challenges with the Boyanup Saleyards facility and the market in which it operates, including:

- Increased costs associated with the capital infrastructure upgrades, including the planned roof structure and other improvements.
- Further deterioration of the existing saleyard infrastructure.
- A declining cattle market,
- Increased costs in management of the facility to support ongoing environmental and animal welfare regulations: and
- Changes to DWER licensing regarding the disposal of waste and effluent and the significant increase in costs.

Furthermore, the current location of the existing saleyards within the Boyanup townsite creates land use conflicts including issues relating to odour, noise, dust and effluent disposal, as well as constraining development of fully serviced residential land.

The need for a relocated new, fit-for-purpose sale yards to replace the Boyanup yards is well established (Shire of Capel – Deloitte 2017). Demand persists and is strengthening for sale yards facilities within this region, with stakeholders indicating the efficiency of selling stock from the South West catchment through Capel rather than through facilities in Muchea or Mt Barker. Maintaining sale yards close to their current location is crucial for aggregating cattle herds, supporting feedlots, aiding small producers in competitive sales, and serving as a transit point for a variety of destinations.

Key considerations for new sale yards include prioritising animal welfare, minimising distance to market for producers, planning and site considerations including adequate social and environmental buffers, increased capacity, potential to host multiple-species, biosecurity, efficient transport links, and environmentally sound waste management.

Who Benefits

The Shire of Capel is ideally located for an agribusiness precinct due to its strategic position linking agricultural producers with efficient distribution to markets. Capel has excellent access to key transport infrastructure that promotes supply chain efficiencies, including Bunbury Port, Busselton Airport, and the Perth metropolitan area via the under-construction Bunbury Outer Ring Road (BORR) and the broader South West region.

Capel's strategic location, which serves as a conduit for all agricultural products from the south and southeast, was repeatedly highlighted by stakeholders (Part A Study) across diverse agricultural sectors. Combined with the Shire's efficient transport links and access to nearby agricultural production areas, Capel makes a potentially ideal location for an agribusiness precinct in the South West. Hosting a new agribusiness precinct would create significant benefits to Capel, the Bunbury Geographe sub-region and the broader South West of Western Australia.

As well as new opportunities for economic diversification, job creation, value-add and export products, there is potential to attract new workforce, promote best practice, utilise circular economies and develop new industries such as waste-to-energy businesses. An agribusiness precinct has the potential to create a range of significant economic benefits for Capel and the State including gains in productivity, competitiveness, and food security.



The planned circular economy for the Agribusiness Precinct will have closed-loop value chains that promotes reusing, repairing, refurbishing, and recycling in order to reduce waste and regenerate natural systems. Potential circular economy approaches that could be used at an agribusiness precinct in Capel include closed-loop water management, waste re-use including waste-to-energy, circular supply chains and packaging, and hosting Research & Development into emerging circular economy practices such as zero waste farming, product life extension and enhancing farm to tables supply chains.

Indicative Cost

Funding to realise the development of the Agribusiness Precinct in the Shire of Capel will be required in two stages:

1. Immediate – Land Purchase – The identified preferred site consists of 4 lots in single ownership; 672 hectares in total land area with 226 hectares cleared. Early estimates of land value are approximately \$7.5million (note – the Shire of Capel will have an independent land valuation 27 November 2024).
2. Precinct Development – a range of development scenarios (from unserviced lots to turn key / fully serviced) will be considered in the current Part B Study, scheduled for completion in May 2025. Current Order of Magnitude full development costs are circa \$100 million.

A full investment strategy will follow.

Strategic alignment

The proposed Agribusiness Precinct aligns to the current WA State Government and regional strategies, as per below:

Infrastructure WA

- Managing demand for infrastructure through prevention, early intervention and pricing
- Improving the quality and consistency of strategic infrastructure planning and processes
- Addressing climate change
- Optimising the existing infrastructure asset base
- Identifying major infrastructure projects and programs

Infrastructure WA (Tomorrow – 2042)

- Support a strong, resilient and diversified economy WA's infrastructure supports long-term economic growth and facilitates industry diversification to achieve competitive advantage. The economy is more productive, innovative and supported by efficient and reliable supply chains, and a skilled workforce, and able to withstand and adapt to extreme shock events.
- Maximise regional strengths to unlock strategic opportunities for Western Australia Regional initiatives and industries that build on the strengths of a region (or multiple regions) and support long-term, statewide outcomes are supported by investment in enabling infrastructure. Gaps in social services have been addressed, supporting the wellbeing of regional communities and their ability to attract and retain people
- Enhance infrastructure delivery and develop skills for the future Infrastructure planning and delivery is supported by a skilled and agile workforce. Investments are staged to maximise value for money and market capacity to deliver. Delivery of infrastructure benefits from improved procurement and best-practice project management and assurance

WA Department of Agriculture, Fisheries and Forestry

- DAFF 1: Agriculture and land.
- DAFF 2: Biosecurity and trade.
- DAFF 3: Science and research.



Western Australia Regional Development Framework

- WARDF 2: Economic Development, Diversification, and Innovation - Diversification must leverage existing strengths in resources, primary industries, and tourism, and seek to develop and support new industries and careers.
- WARDF 3: Climate Resilience & Low Carbon Transition - A changing climate alongside the global transition to a low carbon economy provide risks and significant opportunity for diversification and job growth in our regions.

South West Development Commission – Strategic Priorities

- SWDC 1: A region that has fulfilling and sustainable jobs.
- SWDC 2: A region that has industry ready infrastructure and land availability.
- SWDC 3: A region that has a highly skilled and industry ready workforce.
- SWDC 5: A region that has thriving, diverse and creative communities.