

ENVIRONMENT, NATURAL RESOURCES AND REGIONAL DEVELOPMENT COMMITTEE

Inquiry into the control of invasive animals on Crown land

Dunkeld — 30 November 2016

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Mr David Preece, general manager, Victorian Petfood Processors.

The ACTING CHAIR (Mr Young) — Welcome, David, to the Environment, Natural Resources and Regional Development Committee inquiry into the control of invasive animals on Crown land. There are a couple of formalities that I just have to go through before we kick off. All evidence taken is protected by parliamentary privilege today; therefore you are protected against any action for what you say here today, but if you go outside and repeat the same things, those comments may not be protected by this privilege. Further, all comments that you make today will be recorded, and you will be provided with a proof of the transcript to be returned with any changes. That information will all be publicly published on our website. We have got time for you to give a presentation and give us whatever you need to give us as part of your submission to the inquiry, and then we will follow up with some questions, so go for your life.

Mr PREECE — My understanding is that you are trying to process potential sambar deer from either on farm or native Crown land; is that correct?

The ACTING CHAIR — Yes.

Mr PREECE — From a pet food plant, and primarily we can speak from my company, we have plants at Gippsland and Hamilton. We have a facility at Ballarat, and we have a main plant at Camperdown. We could receive any number of these animals. It is a matter of how these animals are processed on farm out in the paddock and who is to do that. Some guidelines will need to be set along those lines by somebody.

Currently there is the Victorian pet food kangaroo trial, which you may be aware of. There are no state requirements, basically, for any shooters at all. The onus has been put on the operators to ensure that the shooter can process and shoot correctly and do all the humane things. We primarily use people that have been previously trained in human consumption kangaroos in other states. You need to have some training level for these shooters rather than the general public going out and shooting these things. We see young kids — many of us have got young kids — and if they go out in the country shooting, they do not necessarily shoot them humanely. That is an issue, and somewhere along the line you are going to need to deal with that.

If a farmer or someone shoots one or two deer, if they need to get them into our plant, time and temperature are the major things to be able to turn them into pet food. It is no good shooting them at 5 o'clock tonight and bringing them to me at 5 o'clock the next night.

As I said, we can process it. It is just a matter of how you go about what legislation you put in place. Then they will come in dribs and drabs, I suspect, because of the size of them. People's vehicles are not designed to carry these things. They do not herd up live very well, I do not think. They are the issues you are going to deal with.

From a pet food point of view, we process a number of them currently off various farms — they get culled out for one reason or another — and it can be done economically, there is no doubt about that. I am not sure where else you want to go with it.

Ms WARD — Do you want to talk to us about your processing? Do you want to talk to us a little bit about the kangaroo program and how it is working?

Mr PREECE — The first section of the kangaroo processing trial went for two years. The industry pushed hard from the various members in and around Hamilton to get it to come up in the Hamilton area. It was announced without any consultation anywhere, so it was run with: 'This is how we're going to do it'. We had PrimeSafe orientated with licences to be able to handle that. We have wildlife licences for each of these plants so that we can go by the regulations required for that. We have traceability set out for all of those. All these kangaroos in the first 12 months of the original trial, we did not participate at all because we were not allowed to sell the skins. That is like having a sheep farmer not allowed to sell his wool but he can grow his lambs. It is part of the economy.

So we fought, and we got WTOs from the commonwealth government to do that. We went for the next 12 months. The trial stopped. It was reinvented again through Jaala Pulford, I think it was, and that trial started up again. It took some months before they added some extra shires to it. I have got a WTO that has only just come through to get these through. It takes about six months to get a licence to be able to export

the kangaroo skins. They have given me that for the original shires, but now I have got to apply again for the other four shires. It is a whole lot of paper trail.

The Victorian government now provides tags themselves to the farmers. We have no idea how many animals are to be processed on any given farm anymore. The shooters just fill out the paperwork, and it comes in to us. So a bit of the control has gone away from a processor's point of view, which is causing us some grief because we forward-sell product and now we do not know where the product is going to come from, because we are unaware of where all these permits are issued.

In the first trial we used to get a printout of who had permits and you could contact the farmers and go back to them and say, 'You've got a permit for 100. We have a shooter in your vicinity that can do that', and I would issue tags to the shooter or the farmer, whichever way they wanted it, and theoretically they are supposed to be shot on that farm. The control of that is how hard we push in our QA program. No-one is going to run around at 2 o'clock in the morning, whether it be us, the police, the wildlife people or the DPI, as it was known, to police where these shooters are shooting.

I think they have tried to take that away and make it more the responsibility of the farmer to be accountable for these kangaroos. I think it is fairly well common knowledge amongst farmers that in the old days a permit was issued for 100 kangaroos — that permit would last for 12 months — and I suspect there have been many more kangaroos shot past that 100. So the first trial eliminated that. If the permit was for 100, I controlled those tags. We had spreadsheets so that as they came in we could document that. We all make mistakes: plus or minus, I might get one or two wrong, but the DPI could ring up and say, 'Joe Blow: on his farm, how many have been shot?'. I would be able to say, 'As of yesterday, this many were shot'. However, now the farmer can have some of those tags in his pocket and keep them for the 12-month period. Say our shooter has shot 90 per cent of them, including 10 there. The farmer can send those 10 tags back immediately or at the end of the permit period, but he might shoot 10 times 10 and not document that. So that is again a farmer issue, whereas before we did not have that problem.

With your deer it is the same thing; whether you are going to tag them or keep some sort of control, I do not know. Someone needs to come up with a system. I think the DPI worked out that it takes a considerable amount of time to issue tags to farmers and the appropriate paperwork. I would spend 4 or 5 hours every day just with kangaroo stuff, keeping track of what is going where, five days a week, and sometimes I would have to spend Saturdays dishing out tags, and they are all numeric, all recorded — the same as what DPI are doing now.

The ACTING CHAIR — So do the tags only apply to kangaroos that are going to get delivered for the purpose of the pet food trial?

Mr PREECE — The tags we used in the first 12 months or the first 18 months were ours, and I presume you are all familiar with the sheep tag. We had a sheep tag printed up with VPP — which is Victorian Petfood Processors Vic. — which is the Victorian kangaroo set-up, and an individual number. So if you were a kangaroo shooter and you were going to a person's farm and he had 60 to shoot, I might issue all 60 tags with the appropriate PIC numbers and so forth on a piece of paper with some recording-in paperwork, where the shooter can record the tag numbers down. They would come in to us, and we would monitor how many came off that farm until it was 100 here on that side of the spreadsheet, 100 collected, 0 to shoot — that type of thing.

The ACTING CHAIR — So as far as the monitoring of that, that would be more from your side of things so far as quality assurance and possibly even a steady stream of animals coming in?

Mr PREECE — A combination of both, but primarily to make sure that the number of animals shot from that farm were in fact shot out — it does not matter whether they were not shot out, but the balance of the tags had to come back. So there was traceability there with the original permit number, tags issued versus bodies returned, and returned tags, so we could balance that out. I suspect with this current trial they are going to try and do the same thing.

The farmers are required to send their paperwork back to the DPI — I will never see that — and periodically they might come and audit what we think we have got off that farm. I know I have got a

responsibility to send three times a year down to the DPI the tag numbers that have been retrieved back into our plant. I do not know how they think they are going to get them, but I am not going to write down 25 000 individual 6-digit numbers.

Our record sheets or our weigh-in sheets are not dissimilar to an abattoir weigh-in sheet. However, that is electronic. Ours are manual. So we will just scan off the weigh-in sheet that has male/female, the breed of kangaroo, the ID number, the PIC it is associated with et cetera, and what they do with them down there to balance that will be their issue.

The ACTING CHAIR — Yes, and in terms of numbers we are talking about 30 000?

Mr PREECE — We have processed, I think, nearly 20 000 in the last year. That was for a 12-month period. We have probably got better skills than that now and we can probably do more if they are there, but at the same time we import kangaroos; we have a kangaroo plant in NSW ourselves that gets kangaroos under the current kangaroo method up there, and there is an ability to bring kangaroos across the border — dead ones.

Our kangaroo plant in Hay is sort of not dissimilar to the population of a small town here. It is not that big. I have even been there a couple of times, but we can bring kangaroos into our Seymour factory and we can bring them into our Hamilton factory and process where we can provide the employment and things like that, and we are in the process of rebuilding our Hamilton plant to be able to handle a bit of that stuff, if we can get over the shire hurdles.

The ACTING CHAIR — In terms of New South Wales, what is the regulatory framework like there?

Mr PREECE — New South Wales, South Australia and Queensland all have a kangaroo management plan, state driven, whereas Victoria does not. That is part of the problem between the federal government and the Victorian government. Those other three states or four states have all had that plan for years. It is ongoing. Costs are there, but they monitor the populations and the like, whereas down here no-one really knows how many kangaroos were shot. In the old system they knew how many permits they could put out there — no guarantees how many were shot.

In the first trial they knew that over that period of time there were two or three other operators shooting kangaroos, so they might have started it right up, straight out because it suited their need, but they have not been able to export any skins either. We did get some exported. We cannot afford to do it without having hide value or skin value — I just lost my train of thought as to where I was going with that.

At the end of the day in terms of those numbers from New South Wales, they operate exactly the same way. They have farmers applying for tags. Government issue the tags, government control the tags, government control the meat side of it and they control the export side of it. The hides are all exported federally because most of them go over to Canada where the Nike and Adidas people are. They get an awful lot of greenie people over there trying to ban that. In fact kangaroo skins are currently banned in America, so that is a problem that the kangaroo industry have — what do we do with our skins, and can we get other countries to take those away? — because they have made good shoes, cricket balls, footballs. All that type of stuff has been made of kangaroo skins, but most of it is made offshore, out of Australia.

We can export any number out of New South Wales providing there are buyers. They are overseas buyers basically. And Victorian skins are good quality skins; they are a bit thicker than some of the New South Wales skins, so that has been a bonus for the purchasers.

The ACTING CHAIR — A bit colder down here.

Mr PREECE — Yes, probably. That has probably got a bit to do with it.

The ACTING CHAIR — In terms of the numbers, I see two areas. There is the area involved in the commercial processing, and it sounds like New South Wales are doing a good job of monitoring the populations; and then the number that are processed through the commercial sort of sector. I am assuming they also have a mechanism for farmers to do pest control for kangaroos, much like we do in Victoria for an authority to control wildlife.

Mr PREECE — I suspect so. But I think in some of those bigger areas there is a kangaroo industry that provides that service to the farmers, I suspect. There are probably individual farmers that process their own, but I do not know. Farmers are people that do their normal hourly work. Why they would want to shoot in the middle of the night is beyond me when you can get someone else to do it and it does not cost you money. These processors do it free of charge, whereas before, especially around this area, the farmers were paying to get them shot. Now it is a free service basically.

The ACTING CHAIR — At the moment they are having to make it up themselves because the numbers we have got in front of us over the last 10 years show, for example, that in 2013 there were 75 000 permits issued, in 2014 there were 84 000 permits issued, and in 2015 there were 135 000 permits issued for kangaroos.

Mr PREECE — In Victoria or others?

The ACTING CHAIR — In Victoria, yes. So we are obviously not meeting that with the commercial industry the way it is set up. Can you see the ability for the commercial industry to expand to start meeting the 135 000 issued permits?

Mr PREECE — It is one thing to issue tags, it is another thing to see that they are actually shot. I think that first trial actually made it so that the farmer had a choice: he could either get a permit that allowed him to just drop and leave on the farm, or he had a permit that involved the pet food trial and got them taken away. Most farmers do not like to see waste product —

The ACTING CHAIR — Yes, absolutely.

Mr PREECE — so they are happy to go that way. The other thing it did is that they had to reapply for a permit. We have got some farmers that have got big farms — and I mean big properties — that had three and four permits, maybe 3000 and 4000 that were issued over a period of time on different picks of their farm. In the old days they did not do that. One permit lasted all year; no-one monitored it. Because they were being reissued, more permits may have been issued because of that.

We will get in place in Victoria a system amongst the current processors, and there is nothing to stop anyone else setting up a processing providing they meet the various standards that the state government put on them. If it is deemed that it is profitable and it can be done, there will be other people getting involved in it I am sure, or it is up to the current operators to ensure that we can process it.

We were not allowed to use field chillers to start off with. I had to argue with PrimeSafe — ‘Every other state uses field chillers. Why can’t we?’. I was told, ‘We haven’t made any allowance for that. No-one told us’. They were good. They came and had a look, and we were allowed to write them into our QA program.

The ACTING CHAIR — Can you just explain to us what a field chiller is?

Mr PREECE — A field chiller can be something that is portable or fixed, but primarily they are shipping containers. They run on refrigeration, and we run some rails in them so that a 40-foot shipping container might have 200-odd kangaroos in it. The difference between New South Wales and Victoria is that we shoot today and process today because it is close by, whereas New South Wales has shoot today, tomorrow and the next day, and they could be in that chiller for a week or so before they are brought back into the plant. Victorian processors have a good quality product because of the way we do it at the minute.

Victoria is small. If you get into New South Wales and beyond that riverbank border, you are miles out there. Your logistics for transport into factories is not there, so they have a big truck and do a loop. We run from Hay to Canberra and God only knows where they go, but they pick up a lot of kangaroos. We are doing 2000 or 3000 up there a week, weather permitting and things like that.

Then we have our own problem with why we cannot get more numbers up there. That is just management driven. People are so used to running a factory they do it their way, whereas down our way we drive our factories. Whether it be cows or kangaroos, we want numbers to get in because we can sell stuff.

The ACTING CHAIR — With the on-site chillers, you mentioned before that your time and temp is managed. Can you just explain to us how that is actually set out in regulation and what you actually are required to do?

Mr PREECE — For the kangaroo part of it, there are time limits. Things have got to be shot during normal hours, so to speak, but they try and get them into these chillers so many hours — 1 or 2 hours — after daybreak. That is a temperature thing. If they are outside, once it gets daylight it starts to warm up.

You have also got that green element. We do not want to be driving through the middle of Hamilton with kangaroos dangling off the side of the truck. Potentially we are going to ask for trouble. We have got through all the trial so far without any greenie activity and without any mobile phones postage like we see in the abattoirs and things like that, and that has been a bonus. We have been able to do that undercover, so to speak. From our point of view, we want them shot of a night-time and we want them into our chillers as soon as we can. That might start at 4 o'clock in the morning. In Seymour they are doing it at 3.00 a.m., but they must be in early enough to get to that temperature range. You can hang a cattle body or anything outside and protect it from flies. It can stay there for two or three days and you can still eat it, but the regulation says it has got to be in the chiller within a time frame after daybreak, which we meet, and that keeps the product wholesome, basically.

The ACTING CHAIR — So the shooters that you use, you said you have got a bit of a network of shooters. I am assuming that you approach farmers under the old system and say, 'We've got a shooter that can come out'. How are they trained any differently or accredited any differently to anyone else?

Mr PREECE — They have been accredited, I think, through OTEN TAFE New South Wales. They provide that method now. That is the closest one to Victoria.

Ms WARD — So there are no TAFEs in Victoria that offer that accreditation?

Mr PREECE — No-one provides an accreditation for kangaroo shooting or, for that matter, any shooting. We did try to get the SSS shooters association or whatever. They were not interested in providing any training to prove that you can shoot an animal in the head over a 200-metre space, where New South Wales TAFE does do that. They do the humane destruction of the animals, both the baby joeys and so forth. They also do the gutting and making sure that you prepare it up. They do it for a human consumption standard, and our standard is no different.

We want a product that comes in exactly the same standard as the human consumption standard. Out on the field they are field dressed and they come in, and then from thereon in the regulations are a little bit lax from a pet food point of view versus an abattoir point of view because it is human consumption. But the same thing: we have still got to have a product that is sound, so you cannot have contamination on the product. The housewives or the general public do not want that, so it is in our interest to get it processed quickly and efficiently and the temperatures pulled down so you have got some life with your product. And it will be no different for deer — the same thing if you got down that path.

The kangaroo industry is sustainable. It is weather orientated. This year we have had that abnormal weather all the way through, so we are only just starting to get onto some of these properties around here. You just cannot physically get out and shoot them, and that is going to be no different from a deer point of view either. It is the terrain you are dealing with. We struggle to shoot kangaroos in sugar gum plantations and all these plantations around Hamilton because you just cannot get them out. You have got to have a good shooter that wants to have a go and can afford to have a four-wheel drive all-terrain motorbike that can drag them out. It is not as easy as driving around in your car.

But the shooters were driving the issue, I suppose, because they can earn a lot of money. We pay \$90 000-odd to a couple of these shooters in a short period of time. That is good money, and they only work three or four days a week. That is what they were doing. Every second day they would go shooting. Why work five days a week when you can get that sort of money for three days, and they are only doing 3 to 4 hours a night, not an 8-hour day. If it is there, the shooters will do it, but you have got to find a team capable of doing it. If we can get them where they are trained to start off with, that shifts a bit of the responsibility away from the operators.

If the trial in Victoria kangaroo-wise is to go further than 2018, I am sure they will look at training facilities. If it ever became open slather, like it is in other states, where the management plan says, 'We will process X number', they will need to be trained, otherwise you are going to have thousands of people trying to shoot kangaroos, and then where are they going to take it and how do they control the meat after that? It is just like a butcher shop. It has got to be licensed, otherwise you have got no idea where your products go.

Ms WARD — Since the trial started, how many people have you employed at your processing plant?

Mr PREECE — Our pet food business basically is cows. A lot of it is dairy stuff, so we have a big increase in numbers running from the standard football season — April, May, June, July — and then it peters out again by the time of the grand final. The kangaroo side of it works the other end, so it allows us to keep the six or seven people that we have on during the winter all year round. Yesterday, for example, I think one of our plants had 260-odd kangaroos there. There are probably four people skinning those. Those kangaroos are transported to Camperdown, where we will have eight people boning them out today. I need to bone them out today because I have got more coming tomorrow. So directly related to the kangaroo in the Victorian Petfood Processors banner, there are probably 15 different people employed, including the shooters, on site and off site — more than that, maybe.

Ms WARD — And all of your shooters have done this TAFE accreditation course from New South Wales?

Mr PREECE — I think all bar two. The other two have come from working with those and being taught sort of on hand.

Ms WARD — So have they done an apprenticeship as such?

Mr PREECE — Yes. And they can all shoot. We do not see bodies with holes in them. If we do, we have got to report that, and we certainly try and retrain those people like that.

Ms WARD — So your preferred method of employing shooters would be to employ people who have done that accreditation.

Mr PREECE — Yes, without a doubt, because currently it is up to us to decide who can shoot, and I do not know whether you are a responsible person or not to have a shooter's licence. But the system allows that: 'He has got a shooter's licence, so the government deemed him suitable'. On whether he can use it, he can demonstrate by shooting some beer cans out somewhere in a paddock, but it is better if a third party teaches that. That way we can go back to them, just like any other third parties.

Ms WARD — So do you think that that course could be useful for recreational hunters — if there was a process for people to hunt and sell or move on whatever it is that they catch, whether it is deer or kangaroos, for either pet food or human consumption?

Mr PREECE — I am not a recreational shooter, so I do not know. Duck shooters are recreational. They train to some degree in species and things. Whether they are physically trained to be able to shoot straight is a different issue, with ducks. If you have got a group of recreational shooters out there, I do not know how you are going to police that. I think if you were to have shooters doing deer — especially if you are on Crown land, which may be tricky anyway, but also on private land — you need to have someone that is trained up and registered.

PrimeSafe is aware of what shooters we have, and they will license these shooters in due course. It will be part of their control. So I think where your recreational shooter — where anybody — can supply deer to a registered plant will be tricky because they will want to come in at God only knows what time of the day and we will not be there. Where some of our shooters meet the requirement I can give them a key, I am not going to do that to a whole mass of unknown persons.

I think if you are going down this path, we have plenty of kangaroo shooters saying, 'Oh, can you take the deer as well?'. I do not want the deer. It is not part of our deal at the minute, because deer come off a farm with a PIC number. If they are coming via a secondary kangaroo or attached to those kangaroos, I do not

know where it has come from. We do not want deer like that. We are happy to have them if we know where they are coming from and there is some sort of control with it. PrimeSafe will want control of where the meat goes, because that is what they do with us already.

Ms WARD — I am sure they will. Do you think that human consumption of the kangaroos that you are harvesting should be considered in Victoria?

Mr PREECE — Human consumption — —

Ms WARD — Well, to be able to allow — —

Mr PREECE — I go to the regular kangaroo association meetings, and there would be twice the number of people here. They are all trying to export kangaroo meat, they are all trying to sell it to Australian people, and out of 20 people, only three of them had eaten kangaroo in the last month.

Ms WARD — Only three of them?

Mr PREECE — Three of them had eaten kangaroo in the last month. So if the kangaroo human consumption processors do not eat kangaroo meat, how are we going to get the general public to do it? That is their biggest issue.

Ms WARD — And the export market is not growing?

Mr PREECE — They export X amount, and I am not quite sure what that number is because we do not get into the human consumption side of it. Someone bandied around somewhere that there is 50 tonnes of kangaroo coming into Victoria for human consumption per week, I think they said. I do not know whether that is quite right, because if I asked the question here, ‘How many have eaten kangaroo in the last six months?’, probably not many hands would go up. There is one — experimenting because of your job.

The ACTING CHAIR — I shot it myself, though.

Mr PREECE — So that is an issue that the human consumption people have got. In Victoria the government will have to have a very robust kangaroo management plan to be able to do that, and then I doubt whether too many abattoirs will want to play with kangaroos. You might have the smaller ones that need volume to go through. I do not know — I doubt whether very many abattoirs would do it, because you cannot transport them like that. It is probably better to just keep it to pet food. We have not got enough pet food in Victoria to do what we currently do.

Ms WARD — That is why you are bringing them in from New South Wales?

Mr PREECE — Yes, there are not enough there. And again, our whole industry can be weather orientated. So if you do not have cold winters and the dairy cows are not struggling — calving and things like that — our normal yearly take is smaller. It has been like that this year because, again, if you are a farmer and you have got a sick cow, they are worth a lot of money as a milker, but they are worth a lot of money in the saleyards now. Where in the past they were only worth \$600 or \$500, now they are getting \$1500. They are going to send them there before they send them to us. So the supply of pet food goes up and down depending on the climate, so to speak. We do not have a problem selling it. The business of Victorian Petfood has been there for 30, 35 — it might be nearly 40 years now. It has changed; it has had three ownerships over that period of time, and it has grown considerably.

Ms WARD — So cows and kangaroos are the only animals that you process?

Mr PREECE — We do horses, and we have been known to do some camels. So we can handle any product that we can sell. We cannot do pigs, because we cannot have pig offal in the meat meals, because with a lot of those meat meal products the factories that handle that type of thing export it, and they do not want pigs in their products. So you are looking at ovine and bovine basically, and then whatever camels fall into.

Ms WARD — You have spoken both in your submission to us and today about the issue around the kangaroo skins. How does that improve your business model to make it viable?

Mr PREECE — There is a commercial value of a kangaroo skin, so to speak. We pay by weight, hide-on weight, as it comes into the factory. The shooter gets paid X number of cents per kilo. By the time we have waste bone product — you have got waste bone, basically, and then you lose a bit of meat in the boning process — we have a net product that we then have to sell. If I can get \$3 or \$5 for a skin, it is not a lot, but it adds up. When you get 20 000 times \$3, that helps pay the bottom line.

Ms WARD — What proportion of the revenue that you make would be from the skins alone?

Mr PREECE — That is not my area of expertise, but I would say a third. We work on about a 15-kilo average meat content per kangaroo. Some kangaroos are smaller and some are bigger. The average is about 15. If someone said, ‘We’ve got 200 kangaroos in, I will go by 15 and that is going to give me that many tonnes per day.

Mr RAMSAY — There is not much left, but I will try and draw out a couple of other things that have not been covered off. I just want to get the trial right in my mind. So the government has issued, under this trial, Jaala Pulford’s — —

Mr PREECE — Current trial? The first trial?

Mr RAMSAY — The second trial.

Mr PREECE — What I call trial 1 and trial 2.

Mr RAMSAY — We have not talked about Crown land extraction, actually. You have talked about tightly controlled access to kangaroos specifically under this trial, where the permits are issued. You hire professional shooters to shoot, they are tagged and numbers are provided against the permit, and you have quality control in relation to the extraction off farm to your processor — and that is all documented.

Mr PREECE — That is all documented, yes.

Mr RAMSAY — I understand all that. And you pay the shooters yourselves?

Mr PREECE — We pay the shooters, yes.

Mr RAMSAY — So the government does not pay anyone in this process?

Mr PREECE — The government does not pay anything. So in the first two years the government really had nothing other than a handful of people issuing permits, which they would have done in the past every year. So their job has not changed. Their job has changed now where they need to monitor all that sort of stuff. They are now providing their own tags. So they have gone out and, I suspect, rung around — New South Wales, ‘Where do you get your tags from?’ — and produced tags. So the state government now has a cost to administer this process, where before they did not have any cost at all. So they administer the tags, they administer permits, and it is up to them to put the whole package together again. From our point of view, all I get is a weigh-in sheet with the PIC numbers and the property identification and the permit number so that they marry together down in Melbourne.

Mr RAMSAY — But your business gets the product basically for nothing, except for having to get — —

Mr PREECE — Don’t sheep farmers get their wool for nothing?

Mr RAMSAY — No, but I am saying you get the raw product. I know there is a cost to get it and transport it.

Mr PREECE — We pick the product up. Our product is arrived at the door at no cost until we weigh it. The minute we weigh it there is the cost of that.

Mr RAMSAY — That is a commercial arrangement, though, and you say skins are a valuable part of making that a profitable business.

Mr PREECE — Yes.

Mr RAMSAY — All right. I get all of it. But in a Crown land situation where, say, we are using deer, and this committee is looking at potentially having processor support for processing deer, the issue is about extraction and maybe using mobile freezer works to get to a processor where they can add value to the sambar deer or red deer or whatever it might be.

Mr PREECE — If you were going to do it, use Dunkeld for it for a point. If we had some facility that had a 40-foot container there and you have got random shooters out there throughout the mountain ranges supplying deer into those chillers, there needs to be a document trail there of who has put them in because we will not have a clue. They are not going to do it for nothing, so someone has to pay for these deer at the end of the day. I suspect it will be the processor. Is that where you think it is going?

Mr RAMSAY — Yes, but you are not set up to do deer.

Mr PREECE — We can do deer if they are there.

Mr RAMSAY — Is there a commercial, profitable arrangement for you to use sambar deer as pet food?

Mr PREECE — Deer is not much different than skinning a small yearling cow, so our system can handle that. Our rails and our refrigeration systems can handle that. The problem you will have with the deer is the recreational shooter. How does he get it from where he shoots it, get it gutted and then get it into a chiller? To start off with, with the size you have got two or three people trying to lift it or you have to set the chiller up with cranes and winches and things like that.

Then you have got security there. Who is looking after this chiller on a day-to-day basis to make sure the power does not go off and to make sure vandals do not get into it? There are a whole lot of what-ifs with a chiller, where currently chillers are on private land. The farmer or the person that is in charge of that chiller looks after that chiller, so you would need someone to look after that chiller, which is not impossible to do. You either find a like-minded farmer here that has three-phase power that is prepared to put it on and monitor it on a day-to-day basis.

But again recreational shooters are coming in willy-nilly. There are farmers out there that have big properties. How would you like 20 people potentially coming in 20 times throughout the night? And there is the whole issue about safety, privacy and what is happening to your farm equipment while people are doing that. I do not know how you control all of that. They are the things that people need to look at out there. From our point of view, once the chiller is full it is a 5-minute job. We go in, bring them out, run them through the factory and treat it just like the rest of the product.

Mr RAMSAY — I was trying to work out, though, if you could you overlay what is happening on private land into Crown land. So a processor like yourself almost has control over the kill, the freezing or the cooling or the temperature control to process, because it seems to me that is working well on private land. In a Crown land situation you need that sort of direct control from the processor to virtually the shooter to get that carcass into a temperature-controlled environment and then to the processor to be able to make a commercial profitable business out of the rendering.

Mr PREECE — I do not know how you are going to go with your interested parties on Crown land. You have got security with people walking around the paddocks, and you have got Aboriginal issues where you are on native land doing whatever. There is the whole issue of whether you can shoot on Crown land. At the minute you cannot.

Mr RAMSAY — Yes, but if you had permits given to, say, a group of recreational shooters to shoot the same way that you have professional shooters on private land with permits to shoot, could you not sort of overlay that onto a Crown land situation where you have control over those who are shooting?

Mr PREECE — You could. Again it is a paper trail. You still have to have a chiller somewhere that can handle that and some sort of control so that these random recreational shooters can bring your product in. If you license those shooters so that instead of having general population shooting you have a group of licensed shooters, whether you use the kangaroo shooter that is currently trained up and licensed to do that job on Crown land, that makes more sense to me, because then they know what they need to do and you have got some sort of control over that group of people through licensing.

Mr RAMSAY — Do you see any way that we can commercially benefit from a human consumption point of view? I know you are doing the pet food, but it has been suggested to us through this inquiry that we should be maximising the value of — —

Mr PREECE — Probably there is some market for human consumption of kangaroo — sorry, deer.

Mr RAMSAY — Is the PrimeSafe restriction so onerous?

Mr PREECE — No, not really. For example, if at Hamilton we chose to go down the kangaroo path for human consumption, we are rebuilding part of our kangaroo plant or part of the factory that could easily be brought up to a brand-new human consumption standard. Then you just need a QA line program to meet those standards, and you have got to have a market readily available for that. Depending on your numbers, if you only want to process 10 bodies a week, you can easily supply human consumption. It is probably not very commercial at 10 bodies a week, so you would need to have volume and you would probably run into the same problem that other kangaroo human consumption plants have.

New South Wales has a human consumption place, Macro Meats, and South Australia does. I think they can sell all the meat they want, but most — I do not know the percentages, but an awful lot — of that human consumption sourced kangaroo is pet food. V.I.P. Petfoods, which is a big pet food company that is in all the supermarkets around the place, process five times more, or bigger, kangaroos. They bring them in as human consumption, but it is all pet food. That is where most of the kangaroos go — into pet food, not human consumption. V.I.P. are the biggest kangaroo processors, and they are also the biggest pet food company.

Mr RAMSAY — Do you mix and match your pet food? It would not be all kangaroo; you would have kangaroo, beef — —

Mr PREECE — Do we blend the product?

Mr RAMSAY — Yes, blend.

Mr PREECE — We sell kangaroo as kangaroo, and it can be in different formats. We can do, but we do not currently put kangaroo in a beef product or a meat product. We can if we choose. It gets down to labelling, I suppose. If you call it beef, it has got to be beef. If you call it pet meat, it can be a mixture of all sorts of things, so you could blend it if you needed to blend it. There is a market pet food-wise just for pet food currently.

Mr RAMSAY — One last question, Chair. David, I am going to give you an opportunity. We are looking for recommendations in relation to this inquiry, and part of this is about potentially trying to allow greater accessibility for processors like yourself to be able to process, whether it is kangaroo or deer. What recommendations would you like to see this committee put forward to help companies like yourselves to be able to have greater accessibility to the product, whether it be on Crown land or private land? Where are the impediments?

Mr PREECE — We need to have licensed shooters out there, and the industry — not just our company but there are two or three other players — need to have some input into the decision-making so that when someone comes up with a rule that this needs to be done, they can actually see whether it is practical to do, for one. We have had one meeting with people in Melbourne regarding the kangaroo stuff. The difference now is that we do not know where these permits are, so if you are a farmer and you are in this area, I do not know whether you are sitting on a permit for 200 kangaroos or not that could be harvested. I think the farmer is instructed — but I have not seen any paperwork with these new permits —

to ring the processor to verify that the shooter that may have contacted the farmer to start off with is in actual fact one of our processors. That is a transparent type of thing, and that needs to be done.

I think the processor and abattoir know that they are going to go to the saleyard on a given day and try and buy X number of product. We do not know what is out there anymore, whereas before we did. I knew there was a list of farms that would come out each month that had new permits issued, and they were Victoria-wide. So if you look at it from a geographic point of view, we will process the kangaroos in the Grampians area at the Stanhope plant, which is not owned by us, and will process the ones in the Hume area.

How they came up with those areas to start off with I do not know, but I suspect because of the two processors — because the two processors are the two biggest and probably the best-managed processors there. They argue that that is where the kangaroos are; it may well be the case. We now have Seymour there, so we can process in both.

If you are allowed to put chillers in, an operator could be South Australian based and still process Victorian kangaroos. But it boils down to the fact that we do not know what is out there, whereas most businesses know what is out there to be able to harvest. We cannot control the harvest factor. The powers that be do not want processors, I think, controlling it either because then it looks as if we are trying to wipe out the kangaroo. That has not been done in any other state, so it will not happen in Victoria — it does not matter what we do. The system in the other states is well and truly entrenched. They know how it works.

Mr RAMSAY — Who?

Ms WARD — Any level of government, I think.

Mr RAMSAY — The powers that be — are you talking about government, greenies or what?

Mr PREECE — Well, it is administered by PrimeSafe basically. No, it is not; it is administered by DELWP — the Department of Environment, Land, Water and Planning. They do the administering, and then they have this wildlife division of it as well. So if you have a wildlife person who is in that thin area there and she has a conflict of interest, whether she be greenie oriented or whatever, she — he or she — might turn around and say, 'Well, on your farm you have given me evidence that there are 1000 kangaroos', and will give you 30 or 40 kangaroos to shoot.

We are finding now — and again I do not see the permits — that some of these permits were always, traditionally, issued every 12 months. Now they have been brought back. One of the farmers said his was brought back to 54 days, so he has got 54 days. There does not seem to be any reason why they are changing from 12-month permits and bringing them back in. I cannot answer why that is. They are saying it is all about the farmer demonstrating that he has got a problem, but somebody determines whether that problem is there or is not there and it may well be a desk-based person in Melbourne or Warrnambool — they have moved some of them to Warrnambool now.

There is a wildlife person in Warrnambool that is in charge of sending all these permits out. Whether they go out on farm I do not know. They go out in daylight, Monday to Friday, not when the kangaroos are there at 7 o'clock at night and things like that. They are a farmer issue, but from a processor's point of view we want them to work every day. Most of these shooters appear to be recreational — they are available Friday night, Saturday and Sunday night, because they do other jobs at the other end. If there is a permanent kangaroo trial, there will be people that will set themselves up to become permanent shooters.

Ms WARD — What would be the annual income that someone would make from shooting the kangaroos?

Mr PREECE — We had a couple of good shooters last year and, as I said, three days or four days a week they were pulling \$90 000 a year. That was not a full year, because they cannot shoot in the winter. You are restricted to what you can do in the winter.

Ms WARD — So if you are a good shooter, it can be quite lucrative.

Mr PREECE — If you had a young person that wanted to have a crack, they would get \$180 000 a year easily. But they would have to work five days a week and be prepared to travel probably. They cannot do that because they have got no idea where the permits are. We run six or seven shooters out of Hay. Those same shooters shoot the same areas every year, year in and year out. They know where they are going, they know where the permits are and they base their habits like that. Everyone's needs are different.

Mr RAMSAY — That is a good point, actually. I mean, for the registered shooters life would be so much easier if they had an inventory of who is holding permits and they could sort of go there.

Mr PREECE — Yes, and I think that was happening in trial 1. There were a couple of shooters that we had who could see that they could make some money there easily and thought, 'Let's go and actively try and canvass some farmers'. It could be three farmers in a row over a 30-kilometre radius. They could shoot your farm at the start of the night or the middle of the night. Generally they would work from 9 until 2, but they would do three or four farms in one night.

You can only shoot 30 or 40 kangaroos per person on a given night because of the workload that is involved. Most of the time they try and shoot the one property. If they are there and the kangaroos are not flighty, they will get them off one property; otherwise you will get three here or five there, and that is difficult for a shooter. He wants to be able to go 'Bang, bang, bang' in a line. Shooters are just like shearers, who just want to come in, shear the thing and go home.

Ms WARD — What do you think is the best mechanism to ensure that people are shooting the kangaroos on farms and not in forests or on Crown land?

Mr PREECE — The rules say you cannot shoot from the side of the road, for starters, so as a shooter is driving down the road he cannot, theoretically, legally shoot those.

Ms WARD — But as you said, you regularly do not have someone patrolling at 2.00 a.m. to check.

Mr PREECE — No, that is never going to happen. Again, it is like me saying to Simon, 'You must do that'. We think Simon is a nice bloke, and he is going to do that. That is what it boils down to. With recreational shooters you are never going to know where they shoot from. You will never know that, because they are allowed to shoot in the Grampians. You have got schoolkids walking around in the Grampians. You have got people that walk on and off tracks. That is a whole new ball game in itself.

It is different if they are on the farms, like kangaroos. We have deer down at Simpson that farmers are forever ringing us up about, asking, 'Can you come and shoot them?'. My answer to that is if they want them shot — the thing is currently I am not even sure if it is illegal to shoot deer — we will provide one of our shooters, but it is in his own time, nothing to do with us.

Ms WARD — So you basically just act as a referral.

Mr PREECE — It is the same with all the kangaroos down there. Kangaroos are within a kilometre of our processing plant at Camperdown. They never used to be there. They are just moving all the way down. All those Manifold properties — Simon, you are aware of them there — there are kangaroos all over.

Mr RAMSAY — And the blue gums do not help.

Mr PREECE — The numbers are just getting bigger and bigger. There are no blue gums around the Manifold Camperdown properties. They are just in normal trees. But that is right out of Camperdown — on the Colac side of Camperdown. All that property there as you drive in, left and right, were originally Manifold places. There are kangaroos on those farms.

The ACTING CHAIR — We are certainly not going to run out of them any time soon. I just have one last question, and you can be forgiven if you do not know the answer to this: do any of your shooters use suppressors?

Mr PREECE — As in a silencer?

The ACTING CHAIR — Yes.

Mr PREECE — My understanding is that they do, some of them, and that comes when in close proximity to townships, and that started right here in Dunkeld actually, where we had an issue where someone said the shooters were shooting where they should not have been. I do not know whether that was ever policed or proven, but it makes sense in some instances to be able to shoot quietly if you are in this sort of terrain.

I do not know really whether it is a sporting sort of thing, but bows and arrows are quiet too, and there is a group of people that shoot deer with bows and arrows. There are people that do that. Silencers are neither here nor there. As the DPI say, it is about the farmers and the issues that they have got on farm, wrecking their farms, fences, food et cetera. That is why we are culling these — for no other reason, not to turn it into a commercial thing.

But there is a commercial need to take that product away, and certainly from our point of view it is profitable. It is not a lot, and it fluctuates with your hide prices. Many of you know that one minute wool is worth this price, and then it is that price. Hides are the same. We are price takers; we do not make the price. Kangaroo is readily available there. There is competition in selling that kangaroo meat amongst the three or four operators currently doing it in Victoria and those that are bringing it in, so it is price driven along those lines. We employ in excess of 120-odd people across all our plants.

The ACTING CHAIR — Thank you very much for coming in today. That was really great. I hope you do not mind, but if we have any more follow-up questions, we might just write to you and ask them that way.

Mr PREECE — No, that is fine. I would appreciate that.

The ACTING CHAIR — Thank you very much for coming.

Mr PREECE — All right. Thank you.

Witness withdrew.