



# SALEYARDS ADVISORY COMMITTEE MEETING

## MINUTES

### SECTION 5.9(2)(a) LGA 1995

#### Committee Brief

- *Make recommendations to the Council regarding the strategic direction of the Saleyards;*
- *Make recommendations to the Council regarding the Environmental Action Plan for the Saleyards;*
- *Bring to the attention of the Chief Executive Officer, industry matters regarding the cattle industry that may not be readily available to persons external to that industry; and*
- *Make recommendations to the Council regarding development works on the site.*

A Meeting of the Saleyards Advisory Committee  
was held in the Committee Room,  
Lowood Road, Mount Barker WA 6324  
at 9.00 am Tuesday 10 May 2016

John Fathers  
**ACTING CHIEF EXECUTIVE OFFICER**

#### Committee Members

*Cr J Moir, Cr B Bell, Cr J Oldfield, Mr M Skinner – Industry Representative – 226/15*



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**Membership**

Cr J Moir

Cr B Bell

Cr J Oldfield

Mr M Skinner

Cr L Handasyde (Deputy for any member)

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**1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**

9.00am The Presiding Member declared the meeting open.

**2 RECORD OF ATTENDANCE / APOLOGIES**Members Present

Cr J Moir (Presiding Member)  
Cr B Bell  
Cr J Oldfield  
Mr M Skinner

Staff

Mr J Fathers, Acting Chief Executive Officer  
Mr S Smith, Saleyards Manager  
Mrs E Henderson, Assistant Saleyards Manager

**3 CONFIRMATION OF MINUTES**

**Moved Mr M Skinner, seconded Cr B Bell:**

**That the Minutes of the Meeting of the Saleyards Advisory Committee held on 12 April 2016 as circulated, be taken as read and adopted as a correct record.**

**CARRIED**

**4 DISCLOSURE OF INTEREST**

A Financial Interest was disclosed by Cr J Moir  
Nature and Extent of Interest: Cattle Farmer - 100 head of cattle; and  
Elders Employee – Work part time for Elders Rural Services

A Financial Interest was disclosed by Mr M Skinner  
Nature and Extent of Interest: Cattle Farmer - 400 head of cattle

**Authority to participate pursuant to Section 5.69 (3) (a) and (b) of the Local Government Act 1995**

Approval has been received from the Department of Local Government and Communities via a letter dated 27 January 2016, giving permission for Cr J Moir and Mr M Skinner to participate in matters relating to the Mount Barker Regional Saleyards until 31 December 2016.

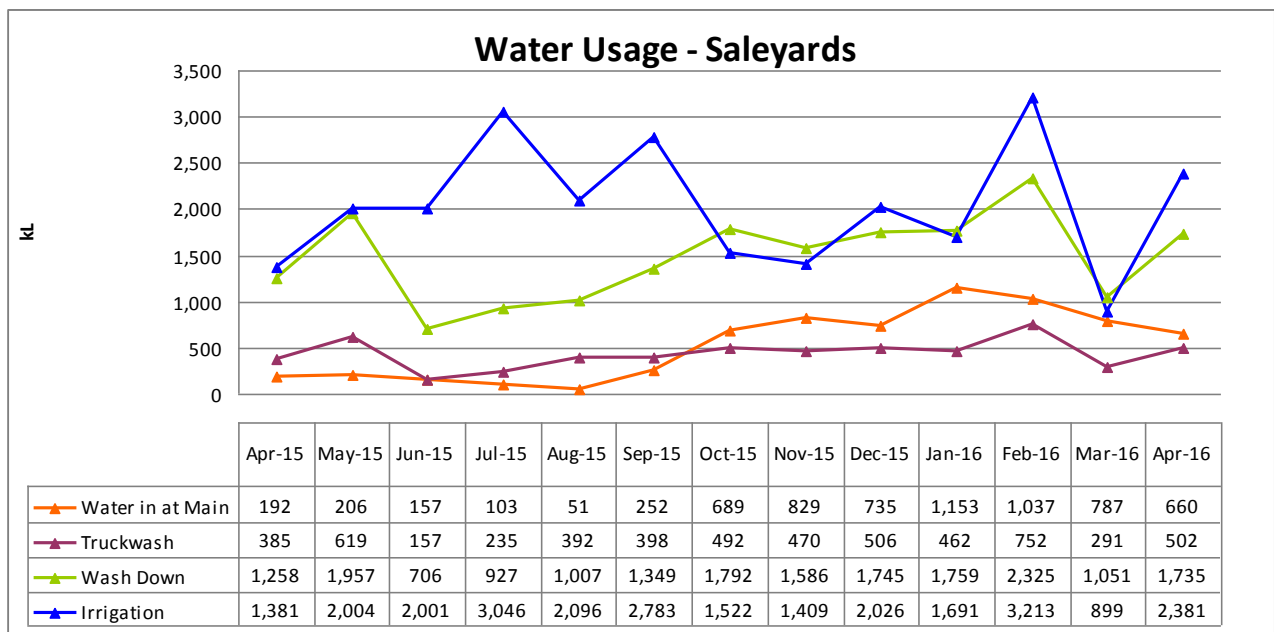
Mr R Stewart read aloud the letter, a copy of which is attached to these minutes.

**5 REPORTS OF COMMITTEE MEMBERS AND OFFICERS****5.1 MANAGER'S REPORT – 6 APRIL TO 3 MAY 2016****SALE DATA**

- Total sale numbers 4,227 head.
- There have been no cattle eligible for MSA sales in this time.
- 47 cattle have received replacement NLIS tags over this time.
- Three animals have been put down or removed.
- 12 bales of hay have been fed out over this time.
- There have been 101 cattle processed for Private/Shipper Weigh.

**GENERAL BUSINESS**

- A number of air hoses on the lift gates of both weighbridges were repaired.
- The compound has now been slashed including around the ponds and the weeds have been sprayed as well.
- Thistles in the irrigation paddock have been slashed.
- Rachel attended the Brunswick cattle camp as a group leader.
- On 25 April, Koster's attended and surveyed all the upright posts in preparation for the new roof.
- On 2 May a start-up meeting held with Opus Engineering, Koster's Steel Constructions, Alan Watkins, John Fathers and Stewart Smith regarding the new roof. Roof construction at the yards will likely start on 4 July.
- On 3 May, representatives from the Department of Environment Regulation undertook a licence inspection on site.
- Some of the dirt pens up on dispersal were cleaned out and replaced with new gravel.
- Three truckloads of manure were sent to Great Southern Sands while it was dry enough. Currently there is no manure on site.
- The latest water usage graph is shown below.



*During discussion at the meeting held on 10 May 2016, the Saleyards Manager advised that there had been anecdotal advice of another agent wishing to utilise the Saleyards. Members requested that the fees and procedures for entry of another agent be formalised.*

#### **OFFICER'S RECOMMENDATION / COMMITTEE DECISION**

**Moved Cr B Bell, seconded Cr J Oldfield:**

**That the report of the Saleyards Manager, relating to current activities at the Mount Barker Regional Saleyards, be received.**

**CARRIED**

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**5.2 SALEYARDS FINANCIAL REPORT – 30 APRIL 2016**

**File No:** CA/126/1  
**Responsible Officer:** Rob Stewart  
Chief Executive Officer  
**Author:** John Fathers  
Deputy Chief Executive Officer  
**Proposed Meeting Date:** 10 May 2016

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**PURPOSE**

The purpose of this report is to review the preliminary financial position of the Mount Barker Regional Saleyards for the period ending 30 April 2016.

**STATUTORY ENVIRONMENT**

There are no statutory implications for this report.

**POLICY IMPLICATIONS**

There are no policy implications for this report.

**FINANCIAL IMPLICATIONS**

This report identifies the current operating position of the Saleyards.

**STRATEGIC IMPLICATIONS**

There are no strategic implications for this report.

**OFFICER COMMENT**

A spreadsheet showing the 30 April 2016 position of operating and capital budget items is attached for information. Overall year to date (YTD) operating expenditure is \$845,719.00, which is \$48,566.00 below YTD budget. There are no significant operating variances.

Overall YTD operating income is \$583,157.00, which is \$12,508.00 below YTD budget. Weigh and Pen Fees are now \$23,774.00 below YTD budget. Amounts spent so far on the Saleyards Roof project are as follows:

Date	Payee	Description	Amount
1/07/2015	Maxwell Designs	Roof Design	\$6,531.82
7/9/2015	Albany Wall Cutting	Drilling of test Holes	\$1,150.00
29/10/2015	Opus Consultants	Tender Documentation	\$3,750.00
26/11/2015	Opus Consultants	Tender and Project Management	\$1,515.00
23/12/2015	Opus Consultants	Tender and Project Management	\$2,175.00
18/3/2016	Opus Consultants	Tender and Project Management	\$4130.00
18/3/2016	Opus Consultants	Project Management	\$430.00
			\$19,681.82

**VOTING REQUIREMENTS**

Simple Majority

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**OFFICER'S RECOMMENDATION / COMMITTEE DECISION**

**Moved Cr J Oldfield, seconded Mr M Skinner:**

**That the report of the Deputy Chief Executive Officer, relating to the current financial position of the Mount Barker Regional Saleyards, be received.**

**CARRIED**

## 6 GENERAL BUSINESS

### 6.1 2016/2017 OPERATING BUDGET AND FEES

At its meeting held on 12 April 2016, the Committee noted that the 2016/2017 budget figures would be re-calculated based on the lower throughput expected for 2015/2016. The current estimated YTD and budget figures for 2016/2017 are attached for information.

The effect of the difference between the 67,000 cattle estimate and this revised 62,000 cattle estimate, based on a 2% increase in fees for 2016/2017 are as follows:

	67,000 Estimate	62,000 Estimate	Difference
2015/2016 Total Surplus (Excl Non-Cash Items)	\$168,747	\$140,447	(\$28,300)
2016/2017 Total Surplus (Excl Non-Cash Items)	\$126,020	\$97,244	(\$28,776)
2016/2017 EOY Reserve Balances			
- Capital Improvements Reserve	\$77,609	\$57,648	(\$19,961)
- Operating Loss Reserve	\$160,342	\$150,558	(\$9,784)

The revised 2016/2017 Total Surplus (Excluding Non-Cash Items) estimate of \$97,244.00 is basically the amount that will be available for capital items and the Operating Loss Reserve in 2017/2018. This is lower than ideal and throughput will clearly need to be monitored over that time. An increase of fees by 3% would only improve this scenario by approximately \$6,000.00.

*During discussion at the meeting held on 10 May 2016, members considered that a 2% increase on fees is still appropriate for 2016/2017 and that the TV advertising should be continued. In regard to the modifications to loading ramps, it was considered that only one more should need to be modified and that appropriate signage be installed notifying users after this has been completed.*

*In regard to the investigations about a generator, it was considered that this was still important to procure. The Saleyards Manager confirmed that an 110kva generator would be suitable. The Saleyards Manager was requested to investigate the purchase of a suitable second hand unit from online auctions (via a pre-auction offer).*

*Thereafter, the Acting Chief Executive Officer was requested to provide advice on what level of throughput was required to break even.*

### 6.2 ADVERTISING SIGNAGE

A proposal was received from MediaWiz in 2012 for advertising at the saleyards. This was something that Mr Skinner, the Deputy CEO and Saleyards Manager saw when on an interstate trip. At that time, the Committee generally considered that a simple advertising proposal involving local firms could be developed.

Recently, a local firm applied for the opportunity to place advertising signage at the Saleyards. Consideration has been given to possible locations for advertising signage.

Recent discussion has been along the lines of keeping advertising off the front lawn panels, so that there is no distraction from the Shire notifications. However, there is a lot of available space in that area and it is considered that limiting the advertising signage to say three signs along would be acceptable (see attached examples, which are 2.0m x 1.0m). The annual fee proposed for the draft budget for these signs is \$400.00.

Another option considered was hanging down from the walkway roofs, parallel to the lawn area panels. However, this area would likely not be worthwhile in terms of visibility and would probably be in the way of people looking out into the pens (looking east).

A further proposal utilises the inward facing panels of the overhead walkways (see attached mock-up, which could incorporate signs of 2.35m x 0.9m each). The fee for signage on these panels should probably be less as the signs are less prominent (Say 75% of the fee for the other signs).

Guidance is sought on the development of a policy with these location options. Other items to consider in the policy are suggested as being:

- Signage fees to be included in the annual budget (based on financial year, pro rata);
- Applicant can provide the sign (to the appropriate specification) or pay for Shire to arrange construction.
- Shire to erect signs at a fee, commensurate with actual cost.
- Signage only available for firms or individuals providing services to agricultural industries.

*During discussion at the meeting held on 10 May 2016, members requested that a draft policy be presented which would include tender submissions for permission to erect advertising signage on three panels along the front lawn area for a time period suitable to make the investment worthwhile.*

### **6.3 AUCTION PLUS LIVE STREAMING**

For the Committee's information, a recent communication from Auction Plus is enclosed. Councillors should also have received an email with this information and links to Youtube videos.

*During discussion at the meeting held on 10 May 2016, members considered that the opportunities for the Mount Barker Regional Saleyards to be involved with online cattle sales be further explored and in this regard, requested the Presiding Member and Saleyards Manager to investigate further at the 2016 Australian Livestock Markets Association Inc National Saleyards Expo in July 2016.*

**6.4 2016 ALMA NATIONAL SALEYARDS EXPO**

The Acting Chief Executive Officer advised that the program has now been received for the 2016 ALMA National Saleyards Expo, which will be held in Bendigo on 27 and 28 July 2016. The Saleyards Manager, Stewart Smith will attend the conference and make a presentation on the Gate to Plate Challenge initiative.

**COMMITTEE DECISION**

**Moved Cr B Bell, seconded Cr J Oldfield:**

**That it be recommendation to the Council:**

**That:**

- 1. Councillor Jeff Moir be authorised to attend the Australian Livestock Markets Association Inc National Saleyards Expo to be held in Bendigo on 27 and 28 July 2016.**
- 2. The expenditure be charged to Budget Item Saleyards – Conferences and Training – 21320.0029.**

**CARRIED**

**6.5 ACCC CATTLE AND BEEF MARKET STUDY**

The Presiding Member advised that the Australian Competition and Consumer Commission has announced that it will commence a market study into the cattle and beef industry in Australia. The study will examine competition, efficiency, transparency and trading issues in the beef and cattle supply chain.

Key issues to be covered by the study include:

- competition between buyers of cattle, and suppliers of processed meat to downstream customers;
- the implications of saleyard attendees bidding on behalf of multiple buyers;
- impediments to greater efficiency, such as bottlenecks or market power at certain points along the supply chain;
- differences in bargaining strength, and the allocation of commercial risk between cattle producers and buyers;
- the transparency of carcass pricing and grading methods;
- seeking information on the share of profits among the cattle and beef production, processing and retailing sectors; and
- barriers to entry and expansion in cattle processing markets.

*Committee members agreed that the Shire should make a submission and asked the presiding Member to liaise with the Acting Chief Executive Officer and Saleyards Manager in this regard.*

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**6.6 PROPOSALS FOR FURTHER CONSIDERATION**

- Greater use of chlorinated water / Water sustainability – At its meeting held on 27 May 2014, members agreed that the requirements specified in the letter from the Health Department of WA make the operation of the waste water re-use system unviable. A budget item for 2015/2016 has been included for an additional water source. A meeting has been held with a diviner / drilling contractor to seek a potential bore site. Ruhi Ferdowsian has now provided a report in this regard, which provides some drilling options. The Saleyards Manager will arrange for the drilling tests to be carried out.
- Agents Agreements – The new agreements have now been sent out to agents. Draft procedures have been developed and form an addendum to the new Agents Agreements.
- During discussion at the meeting held on 9 December 2014, the Committee agreed that need for an independent power supply to run the sale and provide water to cattle was becoming more important. The Committee requested the Saleyards Manager to investigate options for a suitable on-site generator. The Saleyards Manager has made some initial enquiries.

During discussion at the meeting held on 10 May 2016, the Saleyards Manager confirmed that an 110kva generator would be suitable. The Saleyards Manager was requested to investigate the purchase of a suitable second hand unit from online auctions (via a pre-auction offer).

- At its meeting held on 3 March 2015, the Committee noted the intention to investigate and provide advice to the Saleyards Advisory Committee in regard to options for the purchase and / or lease of a skid steer loader, with such advice including a history of the current machine, most appropriate machine and a cost benefit analysis of leasing versus other procurement / trade-in options. Some preliminary enquiries have been made and one machine tested. An ideal machine has not yet been identified.
- During discussion at the meeting held on 13 October 2015, it was suggested that the Shire should take the opportunity to educate and advise producers on common animal welfare issues. The Chief Executive Officer agreed that it would be appropriate to erect a sign at the saleyards, together with a mailout to all producers who have used the saleyards pointing out the expectations under the Code of Conduct and what will happen to cattle which arrive at the saleyards that are not fit to sell.

During discussion at the meeting held on 8 December 2015, the Saleyards Manager advised that he had discussed this matter with the Department of Agriculture and the feedback is that there is currently a strong industry wide focus on such issues.

During discussion at the meeting held on 2 February 2016, the Committee discussed a previous proposal to educate and advise producers on common animal welfare issues. It was agreed that the advice be a combination of the above and an opportunity to provide information on recent developments. Major issues to be covered are nomination of cattle, horns growing into heads, NILS / NVD requirements.

- During discussion at the meeting held on 2 February 2016, members considered it appropriate to hold a strategic planning session, focussing on the Saleyards, to look at and review the current Strategic and Business Plans for the saleyards.
- During discussion at the meeting held on 2 February 2016, some proposals were made regarding updates to the Saleyards webpage, with the suggestion that it be reviewed from a marketing perspective. It was noted that a Youtube video would be prepared for inclusion on that page, using footage from the advertisement which had been recently developed.

Contact has been made with Lomax media for a proposal to develop a longer piece of vision, suitable for Youtube and other marketing uses.

## **7 NEXT MEETING**

To be determined.

## **8 MEETING CLOSURE**

10.04am          The Presiding Member declared the meeting closed.

**CONFIRMED: PRESIDING MEMBER** \_\_\_\_\_ **DATE:** \_\_\_\_/\_\_\_\_/\_\_\_\_