



GREAT SOUTHERN REGIONAL CATTLE SALEYARDS ADVISORY COMMITTEE MEETING

MINUTES

SECTION 5.9(2)(a) LGA 1995

Committee Brief

The duties of the committee shall be to:

- *Make recommendation to the Council regarding the strategic direction of the Saleyards;*
- *Make Recommendation 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 recommendation to the Council regarding development works on the site.*

An Ordinary Meeting of the Great Southern Regional Cattle Saleyards Advisory Committee was held in the Committee Room, Lowood Road, Mount Barker WA 6324, 10.00am Tuesday 12 April 2011.

Rob Stewart
CHIEF EXECUTIVE OFFICER

Committee Members

Cr B Bell, Cr M Skinner, Cr L Handasyde, Cr S Grylls 11/10

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Chairperson:

Cr M Skinner

Membership

Cr B Bell

Cr L Handasyde

Cr S Grylls

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

10.00am The Presiding Member declared the meeting open.

2 RECORD OF ATTENDANCE / APOLOGIES

Members Present

Cr M Skinner (Presiding Member)

Cr B Bell

Cr L Handasyde

Cr S Grylls

Staff

Mr Rob Stewart, Chief Executive Officer

Mr John Fathers, Deputy Chief Executive Officer

Mr Stewart Smith, Saleyards Manager

3 CONFIRMATION OF MINUTES

Moved Cr L Handasyde, seconded Cr S Grylls:

That the Minutes of the Ordinary Meeting of the Great Southern Regional Cattle Saleyards Advisory Committee, held on 1 March 2011 as circulated, be taken as read and adopted as a correct record.

CARRIED

4 DISCLOSURE OF MEMBERS' INTERESTS

A Financial Interest was disclosed by Cr M Skinner

Nature and Extent of Interest: Farming - 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 via letter dated 10 December 2010, giving permission for Cr M Skinner and Cr J Moir to participate in matters relating to the Great Southern Regional Cattle Saleyards until 31 December 2011.

Mr J Fathers 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 – 1 FEBRUARY 2011 TO 31 MARCH 2011

SALE DATA

- Total numbers for February were 1,395 and March were 6,025 totalling 7,420 head. (There have been no MSA cattle in this time).
- 22 cattle have received replacement NLIS tags over this time.
- Two animals have been put down or removed.
- Five bales of hay have been fed out over this time.
- Thirty cattle processed for Private/Shipper Weigh.

GENERAL BUSINESS

- On 1 March 2011 a meeting of agent and Shire representatives was held at the yards. The general feeling was positive. Unfortunately, that due to a lack of communication Elders didn't have a representative there.
- Steve Brown had two weeks off.
- The 10 year anniversary in the 11th year, all went very well, and we have the cheque for \$2.3 million on the wall in the office. The feedback was very positive, with people looking forward to new dirt pens on the western side of the yards.
- We have called for quotes from Plantagenet Sheds and Steel and Kusters Steel in Albany for construction of dirt pens in southwest corner.
- Compressors have been serviced, and all complied. Hydraulic rams for all lift gates need servicing, and we are in the process of getting quotes for this to happen and ease of getting job done.
- On 10 March there was also the agent changeover for weighbridges and holding yards. This went smoothly
- We have been improving gravel around gateways in pens.
- The fire extinguishers have been checked.
- We have had a minor rat (and rabbit) problem with a few wires being chewed in the weighbridge. We have been baiting regularly.
- Stewart and Erika completed their senior first aid course in Mt Barker with other Shire staff. Both passed.
- We have all had our flu injections, and Erika is going for Q Fever this week.
- Cattle numbers are still high for this time of year, due to the strong prices that producers are getting. No animals are going to the east at this stage.
- Quality is very good. No RSPCA issues recently. We assume numbers will fall soon. There is no sale on Thursday before Easter as there is a five day break.

During discussion, it was advised that quotations had been received from Plantagenet Sheds and Steel and Kusters Steel for the construction of dirt pens in southwest corner. These quotations would be sent to the Great Southern Development Commission in support of the Regional Grant Scheme applications.

5.2 SALEYARDS FINANCIAL REPORT – 31 MARCH 2011

File No: CA/126/1
Responsible Officer: Rob Stewart
Chief Executive Officer
Author: John Fathers
Deputy Chief Executive Officer
Proposed Meeting Date: 12 April 2011

PURPOSE

The purpose of this report is to review the preliminary financial position of the Great Southern Regional Cattle Saleyards (GSRCS) for the period ending 31 March 2011.

STATUTORY ENVIRONMENT

There are no statutory implications for this report.

CONSULTATION

There has been no consultation in relation to this report.

POLICY IMPLICATIONS

There are no policy implications for this report.

FINANCIAL IMPLICATIONS

This report identifies the current operating position of the GSRCS.

STRATEGIC IMPLICATIONS

There are no strategic implications for this report.

OFFICER COMMENT

A spreadsheet showing the current position of operating and capital budget items is attached for information. Overall YTD operating expenditure is \$422,614.00, which is \$23,139.00 below YTD budget. Operating income is \$629,140.00, which is \$122,684.00 above YTD budget. The majority of expenditure budget items are below YTD budget and there are no over-expenditures of major concern. A number of the loan accounts were amended in the January 2011 budget review. Due to the later than expected payment from the State Government of the \$2.3 million contribution, these accounts will need further adjustment in the April budget review.

During discussion, it was advised that an uninterruptible power supply in one of the weighbridges had failed and that a new one had been ordered at a cost of around \$5,000.00. The cost of this should be covered by insurance.

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION / COMMITTEE DECISION

Moved Cr M Skinner, seconded Cr L Handasyde:

That the report of the Deputy Chief Executive Officer, relating to the current financial position of the Great Southern Regional Cattle Saleyards, be received.

CARRIED

6 GENERAL BUSINESS

6.1 FUTURE FINANCIAL PROJECTIONS

At its meeting held on 1 March 2011, the Committee requested the administration to submit long term financial projections for the saleyards, with a view to making a formal proposal to agents on a renewal of their agent agreements, incorporating a continuation of the \$1 per head contribution.

The base year for future projections is 2011/2012 and the figures in that year are based on previous average cattle numbers and anticipated fee increases, as discussed previously with agents (see below):

Fees (incl GST)	2010/11	2011/12
Cattle Weighing & Penning - Per Head	\$7.75	\$8.25
Cattle Penning Only - Per Head	\$7.75	\$8.25
Cattle Weighing Only - Per Head	\$3.30	\$3.58
Private Weighs - Per Head	\$3.30	\$3.58
Shipping Weighs - Per Head	\$3.30	\$3.58
Private/Shipping/Weighing only (per head – under 20 Cattle)	\$4.50	\$4.95
Stud Bull Sale - Per Head	\$10.00	\$11.00
Feed - Per Bale	At Cost Plus \$4.00	At Cost Plus \$4.00
Removal - Per Head	\$100.00	\$110.00
Agents Levy - Per Head	\$1.10	\$1.10
Wash Down Fee - Per Minute - Minimum Charge \$5.50	\$0.50	\$0.50
Manure Sales - Per Bobcat Bucket	\$10.00	\$11.00
NLIS tagging services (per head / without permit – no evidence of previous tag)	\$33.00	\$33.00
NLIS tagging services (per head / without permit - evidence of previous tag)	\$16.50	\$16.50
NLIS tagging services (per head / with permit)	\$11.00	\$11.00
Transit Cattle - Per Head - Per Day	\$2.20	\$2.20
Crush Fee - Per Head	\$2.20	\$2.20
Agistment Fee (per head/per week)	\$0.33	\$0.33

Assumptions are as follows:

- Cattle numbers in the base year at 64,000 head. This is the average to date. Assume this number will increase at 1% per year.
- Continuation of agent contribution of \$1.00 per head, to be put into a Saleyards Improvement Reserve. Any capital improvements to be funded from this reserve.
- Capital maintenance is reflected in the non-cash depreciation charges.
- Saleyards expenses to increase at 3% per year.

The outcome from these assumptions is that an average increase in charges of 3.75% per year results in a break even scenario for the saleyards operation over the next 10 years. From a policy perspective, assuming everything else is equal, the Committee may aim to increase fees each year by at least the value of the CPI.

During discussion, the Deputy Chief Executive Officer provided amended data based on a revised analysis, with the following assumptions:

1. Continuing average of 64,000 head per year;
2. 6% increase in pen fees (@ \$3.50 not \$3.58).

This analysis requires an ongoing fee increase of 6.5% p/a to break even.

The Chief Executive Officer further advised that the ongoing business case should incorporate an additional return on investment of say 6%, the level of which would take into consideration a community benefit. It was advised that this matter would be re-submitted to take into consideration matters discussed. The Committee also endorsed a proposal for a brainstorming session with a view to developing a new strategic plan for the saleyards.

COMMITTEE DECISION

Moved Cr L Handasyde, seconded Cr S Grylls:

That it be a recommendation to the Council:

That the following fees be adopted as part of the 2011/2012 budget:

Fees (incl GST)	2011/12
Cattle Weighing & Penning - Per Head	\$8.25
Cattle Penning Only - Per Head	\$8.25
Cattle Weighing Only - Per Head	\$3.50
Private Weighs - Per Head	\$3.50
Shipping Weighs - Per Head	\$3.50
Private/Shipping/Weighing only (per head – under 20 Cattle)	\$4.95
Stud Bull Sale - Per Head	\$11.00
Feed - Per Bale	At Cost Plus \$4.00
Removal - Per Head	\$110.00
Agents Levy - Per Head	\$1.10
Wash Down Fee - Per Minute - Minimum Charge \$5.50	\$0.50
Manure Sales - Per Bobcat Bucket	\$11.00
NLIS tagging services (per head / without permit – no evidence of previous tag)	\$33.00
NLIS tagging services (per head / without permit - evidence of previous tag)	\$16.50
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Transit Cattle - Per Head - Per Day	\$2.20
Crush Fee - Per Head	\$2.20
Agistment Fee (per head/per week)	\$0.33

CARRIED

6.2 ENVIRONMENTAL MATTERS

Environmental Contractor, Charles Williams has continued to liaise with representatives from EcoLab and an associated firm in Sydney. It was hoped to meet with those people at this meeting, however members will be aware that we are trying to reschedule due to Ecolab's non-availability.

Charles has provided a preliminary indication that they will be in a position to recommend a couple of different cost effective solutions to assist in reducing the loadings. However there may have to be further discussions and negotiations with the Department of Conservation and Environment about what Charles refers to as 'unrealistic targets'.

During discussion, the Committee was informed that EcoLab had pulled out of the discussions with Mr Williams as they were of the view that their technology could not

provide a solution which would enable environmental performance to be improved to the extent sought by the Department of Conservation and Environment (DEC) in its letter dated 12 April 2010. Mr Williams is currently attempting to locate other firms that may be in a position to assist.

The Committee also discussed the previous request of the DEC to decommission the waste water overflow on the southern sullage pond.

COMMITTEE DECISION

Moved Cr B Bell, seconded Cr L Handasyde:

That the advice of the Department of Conservation and Environment (DEC) be sought on a proposal to:

- 1. Decommission the waste water overflow on the southern sullage pond by installing a cap on the discharge pipe on the outside of the pond;**
- 2. Install a valve on that pipe in cases of emergency due to large rainfall events, with the submission to include historical rainfall records; and**
- 3. Amend the DEC licence for the Saleyards to incorporate the allowance in Clause 2.**

CARRIED

6.3 REGIONAL ALLIANCE WITH SHIRE OF KATANNING

The Chief Executive Officer raised the matter of a draft memorandum of understanding (MOU) between the Shires of Katanning and Plantagenet relating to the operation of the Great Southern Regional Cattle Saleyards and the Katanning Sheep Saleyards. The Committee considered that the Shire has a good relationship with the Shire of Katanning which does not need to be endorsed in writing.

6.4 2011 SALEYARDS CONFERENCE – DUBBO

During discussion, it was advised that the Saleyards Manager, Stewart Smith would be attending this conference, possibly with Mr Fathers, Deputy Chief Executive Officer. The Chairman, Cr Skinner expressed an interest in attending, and it was confirmed that this would require a formal decision of the Council.

6.5 PROPOSALS FOR FURTHER CONSIDERATION

- Proposed trip to Muchea to inspect environmental works. This matter to be progressed.
- Greater use of chlorinated water.
- Need for energy audit / additional power requirements.
- Joint advertising campaign with agents for vealer sales.

7 NEXT MEETING

TBA

8 MEETING CLOSURE

11.15am The Presiding Member declared the meeting closed.

CONFIRMED: CHAIRPERSON _____ **DATE:** ____/____/____