



## 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  
Saleyards Canteen, Albany Highway, Mount Barker  
at 8.30am Tuesday 12 September 2017

Rob Stewart  
**CHIEF EXECUTIVE OFFICER**

#### Committee Members

*Cr J Moir, Cr B Bell, Cr J Oldfield, Mr M Skinner – Industry Representative – 226/15  
Cr L Handasyde – 105/17*



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**Membership**

Cr J Moir

Cr B Bell

Cr L Handasyde

Cr J Oldfield

Mr M Skinner

Cr M O'Dea (Deputy for any member)

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

8.33am The Presiding Member declared the meeting open.

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

Cr B Bell (Deputy Presiding Member)  
Cr L Handasyde  
Cr M O'Dea (Deputy for Cr J Moir)  
Cr J Oldfield

Apologies

Cr J Moir (Presiding Member)

Staff

Mr R Stewart, Chief Executive Officer  
Mr J Fathers, Deputy Chief Executive Officer  
Mr S Smith, Saleyards Manager

**3 CONFIRMATION OF MINUTES**

**Moved Cr J Oldfield, seconded Cr M O'Dea:**

**That the Minutes of the Ordinary meeting of the Saleyards Advisory Committee, held on 18 July 2017 as circulated, be taken as read and adopted as a correct record.**

**CARRIED**

**MATTERS ARISING**

*The Saleyards Manager advised that repairs had been carried out to a junction block at the end of the main PVC water pipe between the water tank / pump and the selling area. It appeared that this had resolved the leak in that pipe, although it would be monitored.*

**4 DISCLOSURE OF INTEREST**

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 29 March 2017, giving permission for Cr J Moir and Mr M Skinner to participate in the discussion on matters relating to the Mount Barker Regional Saleyards until 30 April 2018.

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

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**5 REPORTS OF COMMITTEE MEMBERS AND OFFICERS****5.1 MANAGER'S REPORT – 11 JULY 2017 TO 5 SEPTEMBER 2017****SALE DATA**

- Total sale numbers 2,819 head.
- There have been no cattle eligible for MSA sales in this time.
- 29 cattle have received replacement NLIS tags over this time.
- Two animals have been put down, two to pet food 3, 0 to tip.
- 28 bales of hay have been fed out over this time.
- There have been 70 cattle processed for Private/Shipper Weigh.

**GENERAL BUSINESS**

- A washdown pipe under the side load double ramp let go and Thinkwater had to repair it. It is all done and working now.
- The aerators have been removed from irrigation pond 3 and have been fully serviced by Thinkwater. They are now in irrigation pond 1 waiting for electrician to install power to them.
- On 24 - 28 July, Stewart attended the ALMA conference and Australian Saleyards Managers Association AGM in Rockhampton. A report will be tabled.
- On 25 July, Erika attended the Elders Livestock Production Assurance (LPA) and Johnes Beef Assurance Score (JBAS) seminars held at the Young Siding Hall and Narrikup Hall and gave a talk on procedures and charges at the Mount Barker Regional Saleyards.
- On 1 August, Stewart did a number of interviews for Farm Weekly, Albany Advertiser, Weekender and Cattlesales.com in follow up to winning the 2017 National Award for Animal Welfare in Saleyards and Lairages.
- We have had a huge response of appreciation from trucking companies (putting adverts in newspapers) cards from local organisations and many emails from the publicity that the win had generated. We have updated our TV advertisement to reflect the win.
- On 9 August, 34 Chinese veterinarian students from UWA came for a tour of the yards. This is the 3rd year that we have had this University bring students.
- On the weekend 12th-13 August, lightning took out our internet receiver which is located on the roof of the weighbridges. We had to replace the receiver box and reconnect the internet to the server. John is claiming this through our insurance.
- On 22 August, Stewart attended the LPA and JBAS seminar held at the WA College of Agriculture Denmark. This was an all-day course letting producers and industry people know of the implications of the new LPA accreditation and JBAS rules.



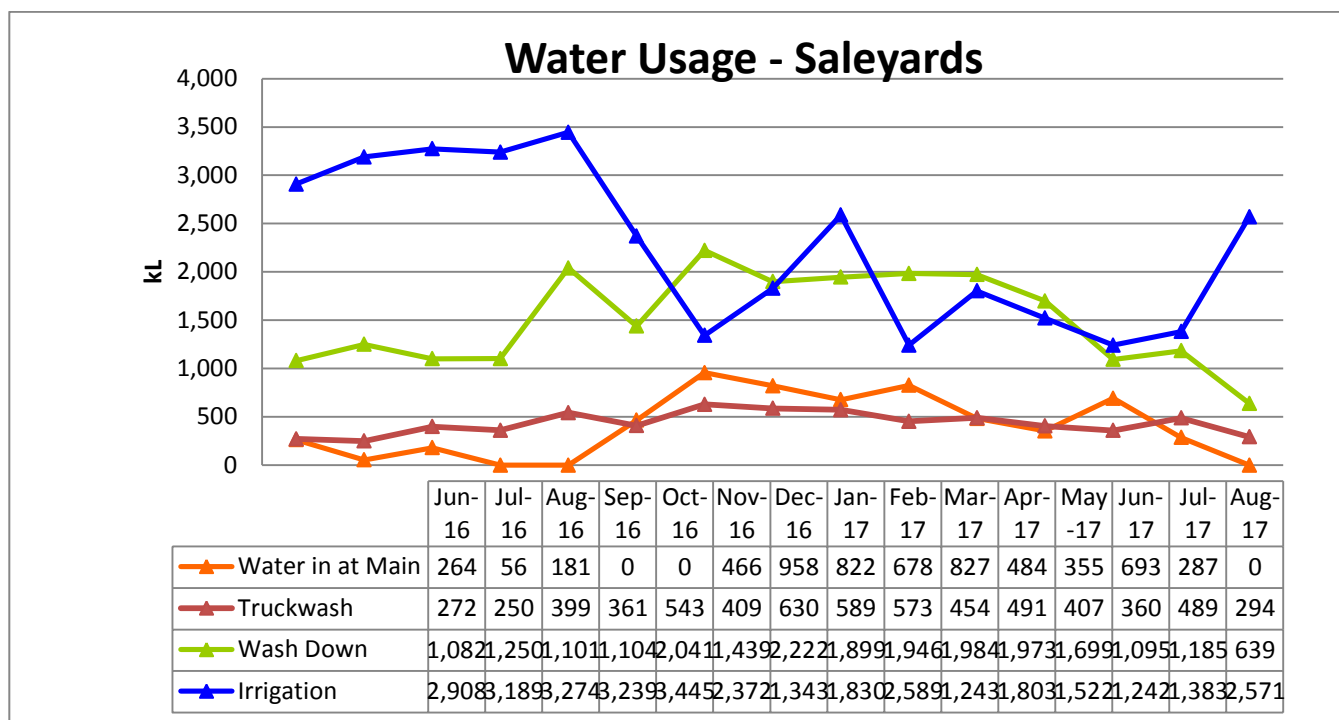
- On 24 August, there was no sale due to lack of numbers and wet conditions on farms. This was a decision made by the three agents. We took the opportunity to clean and leave dry all troughs for the week. Also, all irrigation pond banks have been sprayed and are weed free. The yards have been hand sprayed.
- On 31 August, sales recommenced. Two cows were shot and two cows calved in the selling pens. We had another complaint on animal welfare, in particular broken horns. This had already been noted by the compliance officer with no further action to take place.
- On 1 September Power, the cable trench was dug from pump shed to Anychem pump pad next the washdown sump. Mount Barker Electrics attended to connect power and Hazim from Anychem attended onsite on the 5 September to connect and start up dosing unit.
- On 4 September, Stewart travelled to Muchea Saleyards to attend a meeting with agents and other saleyard operators (WAMIA) to discuss and make a decision on how WA cattle saleyards would deal with the JBAS rules. The decision was made that there would be no change to the operational procedures of all yards due to the grading system of JBAS.

We could see there will be more decisions to be made in the near future but it was decided by all that we need to maintain continuity amongst all cattle yards.

- On 4 September, the guttering on the old roof was replaced by Whale Plumbing. Nessco was in attendance to service the compressors (6 monthly).
- On 5 September, Albany Refrigeration installed the ducted air conditioning units in the four agent offices and the reverse cycle in the main office. There is nothing happening with the canteen at this stage.
- On 13 September, we will be holding a session on Early Detection and Reporting of Emergency Animal Diseases and Compliance at the Saleyards. Issues for discussion will be Foot and Mouth Disease BSE/Scrapie Blue Tongue Virus, Screw Worm Fly, Other Reportable and Common Diseases, Animal Welfare and Compliance in Saleyards.

This is mainly for local transporters and all casual agent staff working at the yards. This will be run by the Department of Primary Industries and Regional Development and funded from Royalties for Regions grant money.

- The latest water usage graph is shown below.



*During discussion, the Committee endorsed the current approach to the JBAS rules. It was noted that the Department of Agriculture, Brands Office and Stock Squad attended the facility last week and a small number of issues were identified. The view was expressed that the high standards and hard line approach to regulatory matters is being vindicated.*

*In regard to air-conditioning, the administration was requested to identify the cost of extending the new system into the canteen, with a view to an item being included in the next Council budget review.*

*Reports from the Saleyards Manager and Mr Skinner relating to their attendance at the Australian Livestock Markets Association Conference and AGM, held in Rockhampton on 26-28 July 2017, were tabled.*

**5.2 SALEYARDS FINANCIAL REPORT – 31 AUGUST 2017**

**File No:** CA/126/1  
**Responsible Officer:** Rob Stewart  
Chief Executive Officer  
**Author:** John Fathers  
Deputy Chief Executive Officer  
**Proposed Meeting Date:** 12 September 2017

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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 31 August 2017.

**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 31 August 2017 position of operating and capital budget items is attached for information. Overall year to date (YTD) operating expenditure is \$180,674.00, which is \$45,266.00 below YTD budget. There is one significant operating variance in facilities maintenance, which is \$5,068.00 over YTD budget. This relates to the recent servicing of pond aerators. Overall YTD operating income is \$34,635.00, which is \$18,295.00 below YTD budget. Weigh and Pen Fees are \$9,886.00 below YTD budget, which is another 'material variance'.

*During discussion, it was noted that funds for the refurbishment of the aerators would be transferred to a new capital budget item.*

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**6 GENERAL BUSINESS****6.1 OPERATING LOSS RESERVE FUND**

During discussion at the meeting held on 23 May 2017, the Committee discussed the long term profitability of the facility and whether a cap should be set for the Saleyards Operating Loss Reserve Fund.

The Council has previously stated that the Saleyards will no longer be subsidised by the ratepayers, but this would depend on how long the facility could remain in a loss making situation without financial assistance.

The view has been expressed that there needs to be a balance which considers the likelihood and extent of possible losses and therefore the quantum of a suitable reserve fund.

It has previously been calculated that breakeven throughput is around 54,400. At the end of 2017/2018, the total in the Operating Loss Reserve will be approximately \$250,000.

For simplicity, I have assumed expenses will remain the same as they are currently, as the majority of expenses are fixed. In addition, it has been assumed that fees and expenses are not indexed and basic renewal capital expenditure is carried out, at an average of \$20,000 per annum.

Three loss making scenarios have been considered, to get a flavour for how long the reserve fund would last.

Scenario 1 – Ongoing throughput of 50,000 cattle. This would see an operating loss (excluding non cash items) of \$33,700.00 per annum. At the current reserve fund level, this could be sustained for seven years, without assistance from municipal funds.

Scenario 2 – Ongoing throughput of 40,000 cattle. This would see an operating loss (excluding non cash items) of \$145,100.00 per annum. At the current level, this could be sustained for less than two years, without assistance from municipal funds.

Scenario 3 – Gradual decline from 55,000 cattle to 46,000 cattle over 10 years (reducing by 1,000 per annum) – This scenario transitions from an initial annual profit of \$22,000.00 to an annual loss of \$78,200.00. The cumulative loss over ten years is approximately \$281,300, meaning the reserve fund would need to be more than that, to operate without assistance from municipal funds, especially given the assumed limited capital renewal over such an extended period.

This information is provided for discussion at this stage and it should be noted that these calculations are very simplistic. If the facility were to experience sustained losses, serious deliberations and remedial action on a range of operational issues would be inevitable. Ongoing operation by the Shire may also be questioned.

*During discussion, members generally agreed that a cap should be put in place, possibly around \$250,000.00 - \$300,000.00. Some advantages were that it would provide a buffer in the event of a catastrophic disease outbreak, even out throughput fluctuations and in the case of a general downturn, it would enable some 'breathing space' while structural changes are made to the operations.*

*The view was expressed that the cap be reviewed annually in conjunction with the budget. Another option was thought to be the possibility of a dividend being provided back to general revenue, with the option of a re-draw at a later date if required.*

*Thereafter, members agreed to hold this matter over to the next meeting for further consideration.*

## **6.2 ADVERTISING SIGNAGE PROPOSALS**

During discussion at the meeting held on 21 June 2016 regarding advertising signage, the Committee considered that this matter be held over until the new roof has been constructed, with a view to determining advertising opportunities that may be realised on the new structure.

*Following a site inspection at the meeting held on 12 September 2017, members agreed that it would be better not to clutter up the facility with any further advertising signage and not to progress the matter further.*

## **6.3 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 provided a report in this regard, which provides some drilling options. The Saleyards Manager will arrange for the drilling tests to be carried out. During discussion at the meeting held on 31 January 2017, members considered that it was worthwhile to undertake drilling to assess the yield.

- 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.
- 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.

**7 OFFICER RECOMMENDATIONS / VOTING****VOTING REQUIREMENTS**

Simple Majority

Mr Skinner withdrew from the meeting at 9.40am.

**Moved Cr L Handasyde, seconded Cr J Oldfield:**

**That:**

- 1. That the report of the Saleyards Manager, relating to current activities at the Mount Barker Regional Saleyards, be received.**
- 2. The report of the Deputy Chief Executive Officer, relating to the current financial position of the Mount Barker Regional Saleyards, be received.**

**CARRIED**

**8 NEXT MEETING**

7 November 2017.

**9 MEETING CLOSURE**

9.41am The Deputy Presiding Member declared the meeting closed.

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