



## 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.*

A Meeting of the Saleyards  
Advisory Committee was held in the  
Committee Room, Lowood Road, Mount Barker WA 6324,  
8.30am Tuesday 15 September 2015

**Rob Stewart**  
**CHIEF EXECUTIVE OFFICER**

### Committee Members

*Cr J Moir, Cr B Bell, Cr L Handasyde - 248/13*  
*Mr M Skinner – Industry Representative – 21/14*

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**Membership**

Cr J Moir – Presiding Member

Cr B Bell

Cr L Handasyde

Mr M Skinner

Cr J Oldfield (Deputy for any member)

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## 1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

8.30am The Presiding Member declared the meeting open.

## 2 RECORD OF ATTENDANCE / APOLOGIES

### Members Present

Cr Jeff Moir (Presiding Member)  
Cr Brett Bell  
Cr Len Handasyde  
Mr Michael Skinner

### Visitors

Cr Jon Oldfield

### Staff

Mr Rob Stewart, Chief Executive Officer  
Mr John Fathers, Deputy Chief Executive Officer  
Mr Stewart Smith, Saleyards Manager  
Mrs Erika Henderson, Assistant Saleyards Manager

## 3 CONFIRMATION OF MINUTES

**Moved Cr L Handasyde, seconded Cr B Bell:**

**That the Minutes of the Meeting of the Saleyards Advisory Committee held on 18 August 2015 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 19 December 2014, giving permission for Cr J Moir and Mr M Skinner to participate in matters relating to the Mount Barker Regional Saleyards until 31 December 2015.

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 - 12 AUGUST TO 7 SEPTEMBER 2015

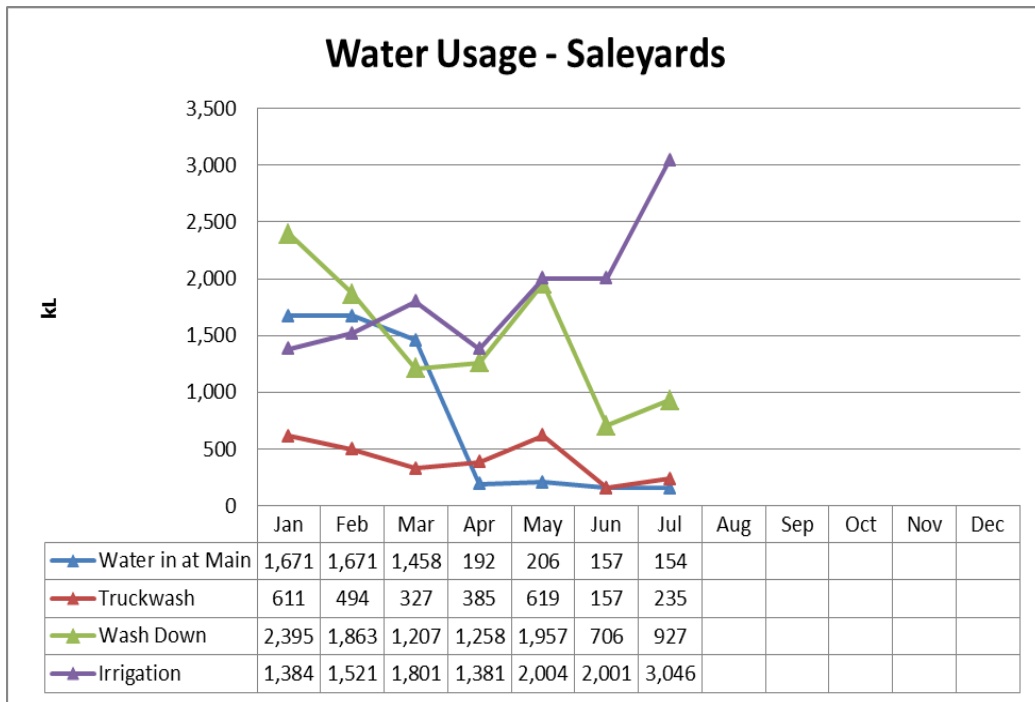
#### SALE DATA

- Total sale numbers 1,317.
- There have been six cattle eligible for MSA sales in this time.
- Thirteen cattle have received replacement NLIS tags over this time.
- One animal has been put down or removed.
- 38 bales of hay have been fed out over this time.
- There have been 126 cattle processed for Private/Shipper Weigh.

#### GENERAL BUSINESS

- The following general maintenance has been carried out before busy season: All rubber stoppers on the lift gates of the weighbridges and stacking pens have now been replaced. Some repairs have been on the slam gates within dispersal ramps. Some hand valves on the stacking pen lift gates in the paint box have also been repaired. All the D shackles on the lift gates on both weighbridges have been replaced. These shackles lift the gates and hold the weights.
- All the dirt pens on the eastern side of the complex have been cleaned out.
- On 20 August 2015, representatives from the Great Southern Regional Development Commission came for a tour on the location of the new roof. Approximately 20 people, including Bruce Manning (CEO) had a look at the northern dirt pens which will be undercover when the new roof is installed.
- Rick Wilson MP (Federal member for O'Connor) visited the saleyards. He spoke to the general public and had some video taken of himself. The CEO authorised this.
- On 4 September 2015, Mount Barker Electrics completed our six monthly RCD testing with no problems.
- On 7 September 2015, Albany Wall Cutting Services was onsite drilling pilot holes to measure the depth of the yard footings for the new roof.
- Plantagenet Sheds and Steel has been in attendance constructing the purpose built bull pens, the last stage of the yard upgrade. These should be completed by 8 September and Saleyards staff will do the plumbing after that.
- The new electronic hardware for the upgrade of the Avdata truckwash has been received. This will be installed in the next couple of weeks by Mount Barker Electrics.
- Mettler Toledo will be here in the first week of November to install new weigh cells and calibrate both weighbridges. The reason why we have waited until then is to alleviate the need for them to make a special trip; once to install and once to calibrate thus saving us money.

- We are in the process of getting quotes for an onsite back-up generator (110kva) as discussed previously. Some initial costings indicate a price of potentially \$21,000 plus installation, which means fixing permanently to the meter box by Mount Barker Electrics. This will enable a simple flick of a switch in the event of a power failure.
- Nessco completed the 6 monthly compressor services on 7 September 2015.
- The latest water usage graph is shown below.



**OFFICER'S RECOMMENDATION / COMMITTEE DECISION**

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

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

**CARRIED**

**5.2 SALEYARDS FINANCIAL REPORT – 31 AUGUST 2015**

**File No:** CA/126/1  
**Responsible Officer:** Rob Stewart  
Chief Executive Officer  
**Author:** John Fathers  
Deputy Chief Executive Officer  
**Proposed Meeting Date:** 15 September 2015

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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 2015.

**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 2015 position of operating and capital budget items is attached for information. Overall year to date (YTD) operating expenditure is \$168,401.00, which is \$51,997.00 below YTD budget. There are no significant variances.

Overall YTD operating income is \$39,992.00, which is \$10,389.00 below YTD budget. Weigh and Pen Fees are \$5,907.00 below YTD budget as throughput impacted by wet weather and stock availability.

**VOTING REQUIREMENTS**

Simple Majority

**OFFICER'S RECOMMENDATION / COMMITTEE DECISION**

**Moved Cr B Bell, 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**

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### 5.3 ROOF OVER THE NORTHERN DIRT PENS – MOUNT BARKER REGIONAL SALEYARDS - DESIGN

<b>File Ref:</b>	<b>N34124</b>
<b>Attachments:</b>	<a href="#">Detailed Plans for Saleyards Roof</a>
<b>Responsible Officer:</b>	<b>Rob Stewart</b> <b>Chief Executive Officer</b>
<b>Author:</b>	<b>John Fathers</b> <b>Deputy Chief Executive Officer</b>
<b>Proposed Meeting Date:</b>	<b>15 September 2015</b>

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#### **PURPOSE**

The purpose of this report is to seek endorsement of the detailed plans for a roof over the northern dirt pens at the Mount Barker Regional Saleyards.

#### **BACKGROUND**

The Shire has secured a grant of \$200,000.00 under the Great Southern Development Commission's 2014/2015 Royalties for Regions - Great Southern Regional Grants Scheme for the roof project. The estimated total project cost is \$600,500.00.

The Saleyards Advisory Committee has supported the concept and is of the view that the Council should consider borrowing the net sum needed to take advantage of the current low interest rates, thereby leaving some capital in reserve in case it is required for other purposes. Nevertheless, a further grant of \$300,000.00 is being pursued under the National Stronger Regions Fund Round Two. Concept and preliminary costings from designer John Maxwell have been developed.

At its meeting held on 3 March 2015, the Council resolved that:

- '1. The construction of a roof over the northern dirt pens at the saleyards be supported.*
- '2. Detailed design plans and tender documentation for this project be progressed.'*

At its meeting held on 21 July 2015, the Council resolved that authority be granted to the Chief Executive Officer to enter into a Debenture Agreement between the Shire of Plantagenet and the Western Australian Treasury Corporation relating to a loan of up to \$400,000.00 for the construction of a roof over the northern dirt pen at the Saleyards.

Mr Maxwell has now prepared working drawings, which have been endorsed by the Saleyards Advisory Committee.

#### **STATUTORY ENVIRONMENT**

Local Government Act 1995 and Local Government (Functions and General) Regulations 2006.

All contracts above \$100,000.00 (ex GST) must be tendered for.

#### **EXTERNAL CONSULTATION**

Consultation has occurred with designer John Maxwell who attended the meeting of the Committee held on 18 August 2015. The Saleyards Advisory Committee requested that an opinion also be sought from a suitably qualified and experienced person, on whether

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there may be anything missed on the plans or any issues that may cause unforeseen issues during construction. This advice was sought from local builder George Corke.

### **FINANCIAL IMPLICATIONS**

The Council's 2015/2016 budget includes provision for a loan of up to \$400,000.00 for this project.

The reserve funds established for the Saleyards act as a repository for surplus funds from that business unit, so that it can operate as a self funding entity, with no impact on rates. A loan for Saleyards purposes could be seen as a self supporting loan to that business unit.

A loan of \$400,000.00 would currently attract an interest rate of approximately 3.45%. This would require annual repayments of an average of \$49,120.00 over 10 years.

Savings are likely to be achieved as a result of the new roof, as summarised below:

- Cleaning out dirt pens - This currently needs to be done every six months. When covered, would only need to be done once every two years. Cost savings are expected to be around \$6,300.00 per year.
- Cleaning out water troughs in dirt pens - This currently needs to be done every month for 19 troughs. When covered, would only need to be done once every two months. Cost savings are expected to be around \$1,444.00 per year.
- Collection of storm water – A new roof area of 1,936m<sup>2</sup> is expected to collect water valued at \$10,389.00 per annum.
- An increase in throughput is likely which would likely achieve an increase in weigh and pen fees. If a 2.5% increase in throughput is achieved, everything else remaining equal, the increase in income would be approximately \$12,000.00.

While the savings are not expected to fully meet the borrowing costs of the new roof, the forward financial plan for the Saleyards can accommodate the repayments. In the last two financial years, the Shire has budgeted approximately \$35,000.00 for sludge removal. This expense will not be required again for another 10 years.

### **POLICY IMPLICATIONS**

Purchasing and Tender Guide Policy No F/FM/7 applies.

### **ASSET MANAGEMENT IMPLICATIONS**

The design and materials specification of the new roof (combined with the local climate zone) is such that the facility additions will require minimal maintenance. Once constructed the expected asset life is over 60 years.

Consideration has been given to the predicted financial impact on operations once the project is complete. An allowance for preventative minor annual maintenance of \$3,000.00 per annum is expected. These costs are offset by predicted increased income.

### **STRATEGIC IMPLICATIONS**

The Shire of Plantagenet Strategic Community Plan 2013 - 2023 provides at Outcome 3.5 (Appropriate infrastructure that supports sustainable economic development) the following Strategy:

### Strategy 3.5.5:

*'Manage and maintain the Saleyards to ensure that the facility is successful and self-sustaining'*

The Shire's Mount Barker Regional Saleyards Strategic Plan 2014 – 2023 states that *'The Shire has proposed major improvements to the Saleyards that consist of expansion to receivals areas and roofing over an area of dirt floored pens'*.

The Shire's Mount Barker Regional Saleyards Business Plan 2014 – 2023 states that *'There has been a long term aim to provide a roof over the northern dirt pens of the Saleyards. This project is seen as the main priority to develop and source grant funding.'*

Accordingly, the recommended outcome for this report aligns with the Strategic Community Plan.

### **STRATEGIC RISK IMPLICATIONS**

One of the issues which has previously been identified as a high risk within the Shire's Strategic Risk Register is the *'Failure to successfully deliver major projects'*. The management action assigned to this risk is that *'A decision will be made by the Council and CEO regarding whether to undertake project management in-house or use external expertise based on the scope and skills needed'*.

The Shire does not have the personnel with the necessary expertise to manage this project. The Chief Executive Officer intends to engage a consultant to assist with the preparation of the necessary tender documentation and provide contract administration services for this project. The cost of these works is estimated at \$7,500.00 and \$30,000.00 respectively, which will be funded from the project budget.

### **OFFICER COMMENT**

The Shire has identified in its Business Plan (2014-2023) for the Saleyards that it is a strategic aim of the Council to ensure that animal welfare is a high priority. It was also noted that current rainfall and other (non-scheme) water sources are usually insufficient for requirements over summer. From 2007 to 2013 the average annual cost of scheme water was around \$20,000.00.

Consideration has been given to investigative work on alternative water strategies for the Saleyards and this project provides a method of water catchment and re-use.

By continually improving and upgrading the Saleyards' facilities in line with development priorities, the Saleyards can maintain its status as a state-of-the-art facility that values animal welfare and environmental best practices.

Features of the design are as follows:

- The design provides two skillion roofs separated by a ventilation gap.
- The roof is designed in bays. The number of bays can easily be reduced by a variation if the cost of the entire structure is prohibitive (subject to agreement of a grant funder).
- The structure will be in harmony with the existing roof structures and constructed of zincalume and cold galvanised. The box gutter on the southern skillion roof is to be made from Colorbond© to increase its useful life.

- The substructure will be galvanised steel to match existing works.
- The roof will enable storm water to be collected and delivered to existing drains and storm water catchment tanks. The design incorporates an additional bridge between the existing water tanks and an additional overflow to cater for the extra water volume.
- The design incorporates fluorescent lighting. The designer has investigated options with lower long term operating costs such as LED and this could be specified as a variation if considered desirable.
- The roof will cover the northern overhead walkway and all northern dirt pens.
- The design enables outloading ramps to be modified in future if required.
- All of the roof supports will be attached on top of existing gate posts or fence posts to minimise interference with current yard space. In the original plans for the Saleyards, the footings of these posts are specified at 600mm wide and 800mm deep. The engineer has confirmed that this is sufficient.
- Consideration has been given to the future addition of solar photovoltaic cells, however the design does not incorporate conduit and cabling as such equipment could be installed easily without this provision.
- The structure has been designed in conjunction with a structural engineer and has now been certified by him. Specifically, while the span of the Hopley trusses is not in line with Hopley charts, the engineer has confirmed the adequacy of the design. Further, the engineer has checked the adequacy of columns and wall thickness to support the structure.
- The Hopley trusses will be made from 'off the shelf' square hollow section. The Saleyards Advisory Committee was keen to achieve a durable solution due to the environmental conditions and has been satisfied with responses regarding design life characteristics.
- Soil classification tables and wind loadings have been considered by the engineer. The roof has been designed to a wind speed of N5 - 61.91 metres per second which equates to 222.90 kilometres per hour.

Among other things, the advice from Mr Corke was that these plans be issued as a guide for a design and construct tender. The design as presented contains a number of features which have been developed between the administration, Saleyards Advisory Committee and the designer. In particular, the design is based on a desire to minimise additional columns within cattle pens. The design has been fully checked and certified by a structural engineer. Therefore, the administration's preference is to use the plans for tender purposes.

Nevertheless, there may be some cost or design advantages from testing the market in this regard. It will therefore be a recommendation that alternative tenders to be considered based on a design and construct solution.

## **VOTING REQUIREMENTS**

Simple Majority

**OFFICER RECOMMENDATION / COMMITTEE DECISION**

**Moved Cr L Handasyde, seconded Cr B Bell:**

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

- 1. The attached detailed design plans for roofing over the northern dirt pens at the Mount Barker Regional Saleyards be endorsed for the purposes of progressing tender documentation; and**
- 2. Tenders be sought for the construction works and design plans referred to in part 1 above, with alternative tenders to be considered based on a design and construct solution.**

**CARRIED**

## GENERAL BUSINESS

### 6.1 CORRESPONDENCE FROM AUSTRALIAN LIVESTOCK MARKETS ASSOCIATION

Correspondence was attached.

### 6.2 GATE TO PLATE FEEDLOT CHALLENGE

The Saleyards Manager advised that the 'Gate to Plate Feedlot Challenge' would be conducted again next year. The exercise is aimed at getting feedback for vendors on cattle weight gain at feedlots. The challenge would take place in January 2016, with animals being fed and watered at the saleyards for five days. The Committee agreed that the first challenge had attracted some good publicity and that the supply of pens, water, weighing and scanning would continue to be an appropriate form of sponsorship from the Shire.

**Moved Cr B Bell, seconded Cr L Handasyde:**

**That the 2016 Gate to Plate Feedlot Challenge be supported.**

**CARRIED**

### 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. A second diviner is being sourced.
- Agents Agreements – The new agreements have now been sent out to agents.
- Standard Operating Procedures – Draft procedures have been developed and form an addendum to the new Agents Agreements.
- During discussion at the meeting held on 19 August 2014, it was agreed that some thought should be given to a public relations opportunity for the millionth animal to go through the saleyards, expected to be in late 2015.

At its meeting held on 28 April 2015, the Committee considered that a similar event to what has been done previously to promote the yards would be appropriate, with a plaque, speeches and sash around the 1 millionth animal. Some thought will need to be given to how the animal is chosen.

- During discussion at the meeting held on 19 August 2014, members noted Cr Handasyde's comments within his report on the ALMA Conference that it will be increasingly more important to secure a position on the ALMA Board in order to have the inside running on the National Issues. It was agreed to give further consideration to this matter. Further discussion has endorsed this view, although there is currently no nominee available.

*At the Saleyards Advisory Committee on 15 September 2015, differing views were expressed in regard to the benefits of nominating a member to the ALMA board. The majority of members considered that it would be worthwhile nominating a member for a trial period. Thereafter, Mr Skinner registered his interest in nominating to the board.*

**Moved Cr L Handasyde, seconded Cr B Bell:**

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

**That Mr Michael Skinner be nominated to the board of the Australian Livestock Markets Association Inc.**

**CARRIED**

- 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 3 February 2015, it was noted that the weighbridge scanners had been damaged by recent storm activity and scanning was being done by hand. The Committee agreed that an appropriate risk mitigation strategy warranted some investigation. The Saleyards Manager has discussed this matter with the Aleis who have indicated that this was an unusual incident and there should be no need to protect the equipment from this type of surge. The Manager is going to seek the views of Norm Burren from Mount Barker Electrics.
- At its meeting held on 3 March 2015, the Committee noted the Chief Executive Officer's 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.
- During discussion at the meeting held on 21 July 2015, the view was expressed that there may be a need to discuss the condition of Mitchells Transport's yards, as the yards may require some maintenance or upgrading before the end of the next five year lease term. The Saleyards Manager was requested to provide comment on the condition of these yards for further consideration and it was also agreed to review the lease conditions in this regard.

## **7 NEXT MEETING**

13 October 2015.

## **8 MEETING CLOSURE**

9.32am The Presiding Member declared the meeting closed.

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