



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, 3.00pm Tuesday 24 May 2011.

John Fathers
ACTIING 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

3.00pm 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 John Fathers, Acting Chief Executive Officer

Mr Stewart Smith, Saleyards Manager

3 CONFIRMATION OF MINUTES

Moved Cr B Bell, seconded Cr L Handasyde:

That the Minutes of the Ordinary Meeting of the Great Southern Regional Cattle Saleyards Advisory Committee, held on 12 April 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 APRIL 2011 TO 16 MAY 2011

SALE DATA

- Total numbers for April 3,999 and May 2,074. Plus, there have been 3 MSA cattle for April and 18 for May.
- 55 cattle have received replacement NLIS tags over this time.
- Four animals have been put down or removed.
- 29 bales of hay have been fed out over this time.
- There have been 92 cattle processed for Private/Shipper Weigh.

GENERAL BUSINESS

- One of the Uninterruptible Power Supplies for the weighbridge computers became faulty and had to be replaced. It all seems to be working now. This will be covered under insurance.
- Erika has had her Q Fever shot.
- We cleaned out dirt pens on the delivery end of the yards, which came up really well.
- There was no sale on 21 April, due to Easter. Subsequently all troughs were cleaned really well and problems sorted.
- On 29 April we had a consultant from Klen International (Gerrit Van Rensburg) who was looking at the environmental issues to advise on how we could improve the set up and workings. John Fathers, Charles Williams and Stewart Smith were all present at this time. We are still waiting to receive a report regarding his visit.
- On 7 April Landmark casual Kim Gibb has his fingers squashed by a bull in the bull pens. It was considered to be an unfortunate accident, with no one to blame. He was flown to Perth and skin grafts were applied shortly after. He was back at work two weeks later.
- The Probus group consisting of 14 ladies and one gentleman came for a tour of the yards with presentation by Stewart, with a cup of tea supplied, and slice which Stewart made. Some were agriculture minded, some were not. All enjoyed the talk and tour, and the crowd seemed very attentive. Most were surprised with the extent of the set up.
- We are in the process of replacing all the air lines around the stacking pens due to old age and have had problems sourcing the seal kits for the rams, as they are no longer made. Al Curnow hydraulics is on the job, and trying to sort the problem.
- We have done extensive work on the dirt pens next door to the weighbridges. We have removed old dirt and added new gravel, then compacted down. They came up very well.
- The Livestock Exchange Saleyards program has now been updated and accepts all newer versions of NVD's.

- Shire Works staff have removed all banks around the ponds and have relocated a number of tiger snakes to the tip. That area looks very neat and tidy now.
- It looks like the numbers are starting to drop off now.
- There has been a suggestion about putting an outside toilet at the yards for the late at night truckies. I am unsure whether this a viable option due to most truck companies which utilize the yards after hours already have access to toilets and showers within the building. I feel that outside toilets may be abused by undesirables.
- I have concerns regarding the current crush head bail. In my opinion it needs a quick catch to immobilize the head of the animal. Currently, an animal can move its head approximately one metre up and down. This can be very dangerous when quite often it's the rowdy cows that are having to be retagged.
- I am seeking some leave at the end of June until August. I am anticipating talking the family on the Canning Stock Route at this time.
- Just a reminder that the Saleyards of Australia AGM is in Dubbo this year on 27th and 28th of July. I will be attending this AGM as a representative of our Saleyards. John Fathers and Cr Skinner have expressed a desire to attend. A Council report will need to be done for Cr Skinner's attendance.
- Congratulations to casual staff member Tim Beech who married (inside staff member) Megan Sounness.

During discussion, the Committee agreed with the Saleyards Manager's concerns in relation to the crush. The Deputy Chief Executive Officer was requested to seek provision in the 2011/2012 budget for the purchase of a new crush and trade of the current one.

OFFICER RECOMMENDATION / COMMITTEE DECISION

Moved Cr L Handasyde, seconded Cr M Skinner:

That the monthly report of the Saleyards Manager be received.

CARRIED

5.2 SALEYARDS FINANCIAL REPORT – 30 APRIL 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 \$477,200.00, which is \$18,840.00 below YTD budget. Operating income is \$671,445.00, which is \$111,596.00 above YTD budget. The majority of expenditure budget items are below YTD budget and there are no over-expenditures of concern, given the overall result.

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION / COMMITTEE DECISION

Moved Cr L Handasyde, seconded Cr M Skinner:

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. At the meeting held on 12 April 2011, an analysis was provided.

Assumptions were as follows:

- Cattle numbers continue at 64,000 head. This is the average to date.
- 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 was that an average increase in charges of 6.5% per year results in a break even scenario for the saleyards operation over the next 10 years.

At the meeting held on 12 April 2011, 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. A revised analysis is attached which includes this return on investment. The resulting long term annual fee increase would need to be 7.7% under this scenario.

It is also recommended that, in future years, a transfer of any saleyards profits to a Saleyards operating reserve be done as part of the budget preparation process. It would be ideal to do this, with a view to such a reserve being used to 'ring fence' this operation from any impact on rates in lean years.

Further, the Audit Committee, at its meeting held on 12 April 2011 resolved that the Great Southern Regional Cattle Saleyards Advisory Committee be requested to meet with the Shire's auditors to discuss the implementation of a business plan which would ensure that the saleyards enterprise is successful and self sustaining.

During discussion, the Committee considered that the financial projections be included in a number of matters to be discussed with the Shire's Auditor in respect to a business plan for the saleyards. The Deputy Chief Executive Officer was requested to make arrangements for a meeting of the Committee with the Shire's Auditor, Russell Harrison.

6.2 ENVIRONMENTAL MATTERS

At the meeting held on 12 April 2011, the Committee was informed that EcoLab had pulled out of the discussions with Charles 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 has now sought assistance from a water treatment firm called Klen International. We have had an initial meeting on site and their representative has given some verbal indications that equipment is available which the Shire could incorporate into a plan to filter out most if not all of the suspended solids. He also intends to look at the most optimal re-use of the waste water.

Klen will be preparing a report with options and likely costings. Then I would expect a meeting of the Committee to discuss the options with him.

6.3 REQUEST FOR OUTSIDE TOILETS AT SALEYARDS

A member of the Committee has recently been contacted by a local resident alerting to a problem at the saleyards with outside toilets for truck drivers who unload outside of hours. Information was provided on a possible inexpensive outdoor toilet solution. Further information will be provided at the meeting.

During discussion, the Committee considered that it would be better to encourage drivers to contact the Saleyards Manager who, in most cases, could let them have access to the toilets and showers. It was noted that additional portable toilets would be hired for breeder sales.

6.4 DEC LETTER

The Shire has received a formal letter of warning from the Department of Conservation and Environment about the breaches of licence conditions on sample reporting associated with the 2010 Annual Environmental Report. These related to minor omissions by the Shire's environmental consultant. It is good news in that the Department is not taking the matter further.

6.5 75TH ANNIVERSARY OF STOCK SALES IN MOUNT BARKER

A letter has been received from Harry Reeves advising that March 2012 will be the 75th anniversary of stock sales in Mount Barker (see attached). Comment is sought from the Committee as to how this milestone may be commemorated.

During discussion, the Committee considered that this message could be incorporated into advertising and other media such as the Shire Flyer during the year.

6.6 JOINT ADVERTISING CAMPAIGN WITH AGENTS FOR VEALER SALES

During discussion, the Saleyards Manager confirmed that Elders and Landmark had been approached and were agreeable. The Deputy Chief Executive Officer was requested to seek a \$2,000.00 allocation in the 2011/2012 budget for this.

6.7 2011 SALEYARDS CONFERENCE – DUBBO

Moved Cr L Handasyde, seconded Cr B Bell:

That it be a recommendation to the Council:

That the Deputy Shire President, Councillor Michael Skinner be authorised to attend the Australian Livestock Markets Association Inc AGM and Conference to be held in Dubbo from 27 to 28 July 2011 and the expenditure be charged to budget item Governance – Members of Council: Conferences, Training and Accommodation – 20026.0029.

CARRIED

6.8 ENERGY AUDIT / ADDITIONAL POWER REQUIREMENTS

During discussion, the Committee considered that the saleyards' critical systems need to be running and should have some backup power. The Deputy Chief Executive Officer was requested to arrange for an energy audit of critical systems to be undertaken, with a view to a budget request for an appropriate genset.

6.9 PROPOSALS FOR FURTHER CONSIDERATION

- Proposed trip to Muchea to inspect environmental works (Proposed to be at the same time as the trip to Dubbo)
- Greater use of chlorinated water.
- Strategic Planning Session sought by CEO relating to the Saleyards

7 NEXT MEETING

TBA

8 MEETING CLOSURE

4.28pm The Presiding Member declared the meeting closed.

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