



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
10.30am Tuesday 27 March 2018

Rob Stewart
CHIEF EXECUTIVE OFFICER

Committee Members

Cr J Moir, Cr B Bell, Cr L Handasyde, Cr M O'Dea, Mr M Skinner – Industry Representative – 225/17

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Membership

Cr L Handasyde - Presiding Member

Cr B Bell - Deputy Presiding Member

Cr J Moir

Cr M O'Dea

Mr M Skinner

Cr J Oldfield (Deputy for any member)

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

10.30am The Presiding Member declared the meeting open.

2 RECORD OF ATTENDANCE / APOLOGIESMembers Present

Cr L Handasyde (Presiding Member)
Cr B Bell (Deputy Presiding Member)
Cr J Moir (10.30am to 11.29am)
Cr M O'Dea
Cr J Oldfield (Deputy for Mr M Skinner)

Apologies

Mr M Skinner

Staff

Mr R Stewart, Chief Executive Officer
Mr J Fathers, Deputy Chief Executive Officer
Mr S Smith, Saleyards Manager
Mrs E Henderson, Assistant Saleyards Manager

3 CONFIRMATION OF MINUTES

Moved Cr B Bell, seconded Cr J Moir:

That the Minutes of the Ordinary meeting of the Saleyards Advisory Committee, held on 27 February 2018 as circulated, be taken as read and adopted as a correct record.

CARRIED

4 DISCLOSURE OF INTEREST

Part 5 Division 6 Local Government Act 1995

Cr J Moir

Type: Financial/Indirect Financial Interest (Section 5.60 (A) and 5.61 LGA)
Nature: Cattle Farmer and Employee of Elders
Extent: Sell cattle through the Mount Barker Saleyards on average six times per year. Average number of cattle held is 80 head.
Part time employee of Elders in a non-managerial position.

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.

5 REPORTS OF COMMITTEE MEMBERS AND OFFICERS

5.1 MANAGER'S REPORT – 21 FEBRUARY TO 20 MARCH 2018

SALE DATA

- Total sale numbers 5,462 head.
- There have been no cattle eligible for MSA sales in this time.
- 39 cattle have received replacement NLIS tags over this time.
- Two animals have been put down, two to pet food, 0 to tip.
- Six bales of hay have been fed out over this time.
- There have been 523 cattle processed for Private/Shipper Weigh.

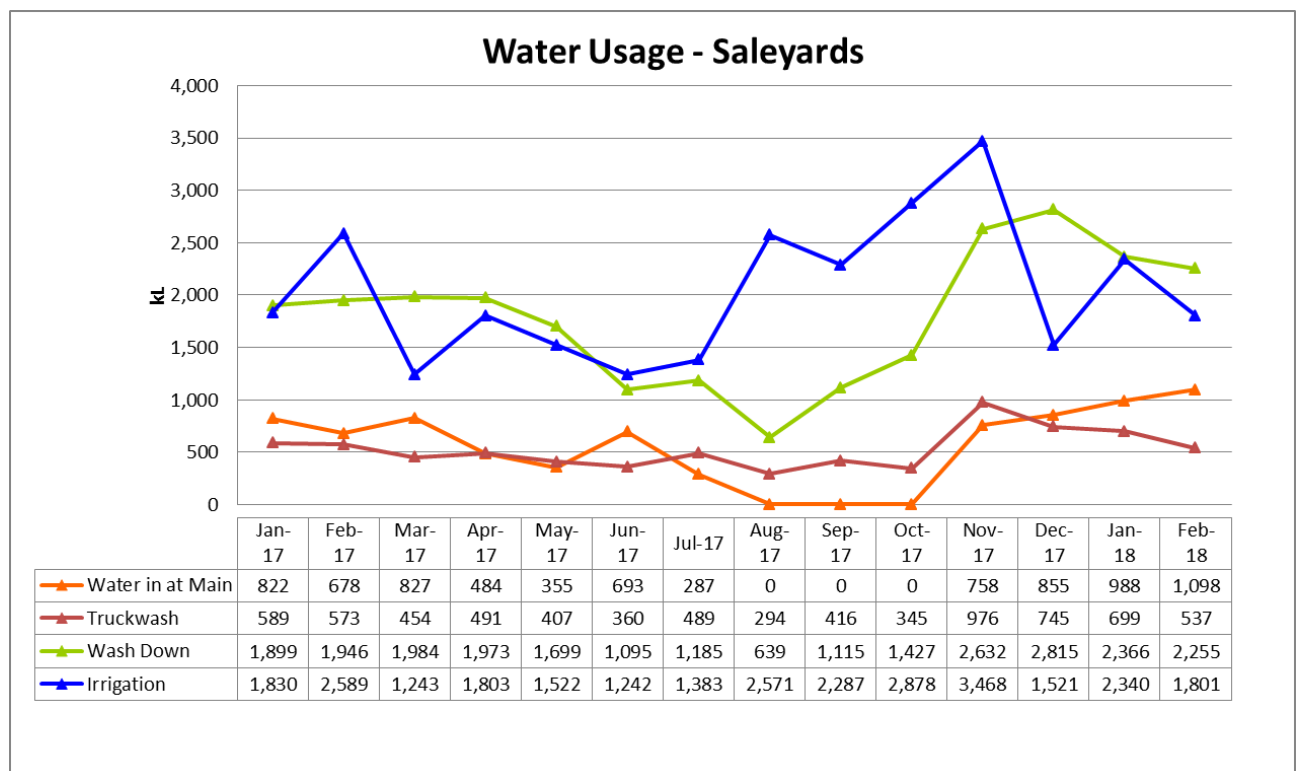
GENERAL BUSINESS

- Building Maintenance Officer, Mark Vitler has now completed the painting of the inside of the toilets and hallway. We have gone with a bit lighter colour than before and that has certainly brightened the place up.
- The weighbridge pits have now had their six monthly spring clean, ready for winter.
- Albany Irrigation & Plumbing have been arranged to attend on 5 & 6 April along with Ruhi Ferdowsian to do some test boring.
- As of 2 March, the facility was totally reliant on scheme water for washdown, drinking water (both human and cattle) and office block due to no rainfall event thus far. This will mean that our water bill will be higher than previous years.
- We are having issues with both weighbridges panel scanners. One misreading tags and the other retaining RFIDs in its memory and shooting them to random lots. Aleis have been contacted about rectifying it.
- 1000 RFID tags have been purchased in the Saleyards PIC.
- Stewart and Erika have now completed and passed the First Aid training refresher course in Albany.
- The agent changeover took place on 10 March with no issues. The annual agent throughput percentage is as follows. Throughput for last 12 months sale cattle only.

Agent	No.	%
Landmark	30,134	50%
Primaries	12,502	21%
Elders	17,756	29%
Total	60,392	

- Stewart has been put under a bit of pressure by Landmark for the allocation of their three ramps as laid out in the agents agreement of throughput for the year. In previous years, 50% of total sale yarding entitled the agent to 50% of the receival ramps, but we have found in the last two years allocating half of one ramp from Landmark to Primaries has worked better for the overall throughput of the yards. Unfortunately sharing a receival ramp comes with its own challenges between agents not getting along.

- Having a 7th receival ramp would alleviate a lot of these issues as well as having a positive impact on occupational health and safety and animal welfare.
- The Gate 2 Plate Field day was held on Tuesday 20th March with the schools challenge on Wednesday 21 March.
- A new casual employee Peter Mills started on Friday 16 March to do washdown and trough cleaning.
- There will be no sale the week of Easter 29 March and no sale 26 April due to receivals being on Anzac day. This was agreed upon by all agents.
- Nessco has completed the compressor six monthly services and the two year tank inspection.
- A new Saleyards vehicle (utility) will be delivered on 26 March.
- Further to previous discussion on abuse of animal welfare standards, the matter of fit to load requirements and, in particular ingrown horns have been raised in a media release and the March edition of Cattle Tales. In addition, a banner has been added to the bottom of the television advertisement stating 'Are your cattle fit to load? If in doubt, leave it out'.
- The latest water usage graph is shown below.



During discussion, the view was expressed that additional water tanks should be installed to harvest as much water as possible. The administration was requested to provide advice on what has overflowed since the new roof and tank was installed, and what is the cost benefit of additional tanks, given what we know at the moment.

5.2 SALEYARDS FINANCIAL REPORT – 31 FEBRUARY 2018

File No: CA/126/1
Responsible Officer: Rob Stewart
Chief Executive Officer
Author: John Fathers
Deputy Chief Executive Officer
Proposed Meeting Date: 27 March 2018

PURPOSE

The purpose of this report is to review the preliminary financial position of the Mount Barker Regional Saleyards for the period ending 28 February 2018.

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 28 February 2018 position of operating and capital budget items is attached for information. Overall year to date (YTD) operating expenditure is \$661,575.00, which is \$101,885.00 below YTD budget. Depreciation is \$76,585.00 below YTD budget, due to modifications to valuations and remaining useful lives.

There is one significant variance, being facility operating costs which is \$8,923.00 above YTD budget. This is largely as a result of electricity costs due to additional power usage over period of triple sales. New roof will also have increased electricity usage.

Overall YTD operating income is \$507,682.00, which is \$26,200.00 above YTD budget. Weigh and Pen Fees are \$26,254.00 above YTD budget.

6 GENERAL BUSINESS

6.1 WASTE WATER USAGE

During discussion at the meeting held on 30 January 2018, a query was raised in respect to the proposed irrigator, in particular whether it would be suitable for irrigating a crop. The suggestion was made that it may be beneficial to produce a crop which could effectively export nutrients off the property. It was also suggested that expressions of interest could be called for the waste water, which possibly could be utilised for nearby agricultural uses. It was agreed that a first course of action would be to identify the tenure of adjoining land. Information will be provided at the meeting.

During discussion, it was noted that while waste water would need to be suitably treated, the Committee sought advice on what the compliance requirements would be for transporting water and implications for a landholder.

6.2 2018/2019 BUDGET AND FEES

Similar to previous years, the administration has prepared a draft budget incorporating a throughput of approximately 62,000 head and a fee increase of 2%.

The Consumer Price Index (All Groups Perth) has increased by 0.8% from December 2016 to December 2017. Recent throughput, CPI and fee increases are shown below:

Year	Throughput	CPI	Fee Increase
2013/14	69,010	2.5% (2012/13)	4%
2014/15	69,661	3.3% (2013/14)	3%
2015/16	62,657	1.2% (2014/15)	3%
2016/17	65,039	0.5% (2015/16)	2%
2017/18	40,801 (to Jan)	0.7% (2016/17)	2%

The proposed fee increases are attached. The only change not in line with 2% is to increase the minimum fee for removal of cattle from \$170.00 to \$200.00 as a further deterrent to introducing substandard cattle into the facility.

This scenario results in an operating surplus (excluding non-cash items) of \$101,956.00 at the end of 2018/2019. It should be noted that the current arrangements provide for one third of the surplus to be transferred to the Operating Loss Reserve and two thirds to be made available for capital works. The estimated end of year position of the Capital Improvements Reserve is \$109,275.00 (10% of the surplus to the Operating Loss Reserve).

The estimated end of year position of the Capital Improvements Reserve for the scenario presented in February 2018 was \$82,565.00 (one third of the surplus allocated to the Operating Loss Reserve).

Given the state of the economy and that the current income levels are meeting requirements, it is considered that a 2% increase in fees would be sufficient as expenditure can be contained to approximately this level, assuming the current throughput remains steady.

The scenario includes the following new capital budget requests:

- Outloading Ramp Bugle Modification (\$17,000.00) – Additional - Last one to be done.
- Bitumen Repairs (\$25,000.00) – Additional, ongoing program.
- Aeration Ponds – Transfer pipework (\$5,000.00). This has been discussed by the Committee and is part of the environmental plan for the facility. It will be subject to additional environmental argument (operational cost of \$5,000.00) and works approval by the Department of Water and Environmental Regulation.
- Painting of Galvanised Elements - Roof and Walkways (\$23,000.00). See Point 6.2 above.
- Diesel Motor - Irrigation Pump (\$5,000.00) As discussed in the January 2018 meeting, the irrigation diesel pump has done almost 9,000 hours. It is considered prudent to replace the diesel motor and keep the old one as a spare.
- Servicing of Alies Weighbridge Scanners (Approx \$4,000.00/5000.00). It is time that the scanners are serviced, which will require a visit by Alies personnel from Queensland.
- New Modular Shower and Toilet Block (Estimate \$45,000.00, plumbed in to septic tank). The current shower and toilet facilities are becoming inadequate for the demand. The location within the office block is also problematic for office security, potential future demand for the corner office and the amount of dirt brought in by those attending to shower and change. This is somewhat a wishlist item, although it is thought that it will be required at some stage in the future.
- It is recommended that some scope in the budget be retained for a contribution towards an additional loading ramp. A design has been carried out and is being checked. It is intended to seek a quantity surveyor estimate of the construction cost.
- It should be noted that Budget Item 'Other Expenses - Tools & Sundry' includes an extra \$2,500.00 for a replacement bucket for the skid steer loader. Budget Item 'Building & Grounds - Facility Maintenance' includes an extra \$2,000.00 for a generator cover. These estimated costs will be firmed up.

During discussion, the Committee requested pricing for modular and permanent toilet options, for consideration in 2019/2020. In addition, the view was expressed that the current system of rotating agents based on previous years' throughput was not appropriate and should be based on weekly allocation and it should be a condition of the ramp that the Shire reviews the receipt process.

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 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. The agreement with Elders has now been executed. Bob Pumphrey from Landmark has also been followed up, with fresh contracts sent for signature.
- At the meeting held on 14 November 2017, Mr Skinner advised that the Shire of Dubbo was installing new moulded bar soft floor matting into 220 new pens. It was requested that we attempt to get a sample of the new matting, which may be appropriate for the paint box areas.
- At the meeting held on 30 January 2018, a query was raised about the Shire's obligations in respect to new Chain of Responsibility laws and how this might relate or conflict with animal welfare requirements. Some direction was sought in this regard.
- Following the discussion at the meeting held on 14 November 2017, at the meeting held on 30 January 2018, Mr Skinner advised that Katanning Saleyards Manager has endorsed the idea of advocating for the 2019 ALMA conference to be held in WA and he will raise that with the Shire of Katanning administration. The Shire of Katanning could cater for it (Dome Hotel). There would be a focus on cattle and sheep. It was suggested that an ideal date would be later than normal, say late September 2019. Depending on the interest, Mr Skinner suggested that a joint working group be formed with the Shire of Katanning to co-ordinate.

This matter has been discussed with Kate McGilvray - Executive Officer at ALMA and Andrus Budrikis from the Shire of Katanning and a meeting between Shire representatives is being organised.

7 OFFICER RECOMMENDATIONS / VOTING

VOTING REQUIREMENTS

Simple Majority

Cr J Moir withdrew from the meeting at 11.29am.

Moved Cr M O'Dea, seconded Cr B Bell:

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

22 May 2018.

9 MEETING CLOSURE

11.30am The Presiding Member declared the meeting closed.

CONFIRMED: PRESIDING MEMBER _____ **DATE:** ___/___/___