



## 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 Saleyards  
Advisory Committee was held in the  
Committee Room, Lowood Road, Mount Barker WA 6324,  
8.30am Tuesday 30 April 2013

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

### Committee Members

*Cr B Bell, Cr L Handasyde, Cr C Pavlovich, Cr M Skinner 238/11*

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**Membership**

Cr M Skinner – Presiding Member

Cr B Bell

Cr L Handasyde

Cr C Pavlovich

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## 1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

8.30 am The Presiding Member declared the meeting open.

## 1 RECORD OF ATTENDANCE / APOLOGIES

### Members Present

Cr M Skinner (Presiding Member)

Cr B Bell

Cr L Handasyde

Cr C Pavlovich

### 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

## 2 RECORD OF ATTENDANCE / APOLOGIES

## 3 CONFIRMATION OF MINUTES

Moved Cr B Bell, seconded Cr M Skinner:

**That the Minutes of the Meeting of the Great Southern Regional Cattle Saleyards Advisory Committee, held on 26 March 2013 as circulated, be taken as read and adopted as a correct record.**

**CARRIED**

## 4 DECLARATION 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 3 January 2013, 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 2013.

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 – 20 MARCH TO 23 APRIL 2013

#### SALE DATA

Total sale numbers for the from 20 March to 23 April 2013 was 5,243 (March - 1,063, April – 4,180).

There have been 35 MSA cattle in this time.

A total of 53 cattle have received replacement NLIS tags over this time.

Three animals were put down or removed.

A total of 10 bales of hay have been fed out over this time.

There have been 465 cattle processed for Private/Shipper Weigh.

#### GENERAL BUSINESS

- The cutting edge on the bobcat bucket has been replaced. We have also sprayed around yards.
- The upgrade of power from the power pole to main meter box has now been completed.
- We have cleaned all dirt pens on eastern side.
- There was no sale on Thursday 28 March due to Easter.
- Livestock Exchange came and upgraded the LE Saleyards program on all seven computers.
- General maintenance has been carried out as usual, such as airlines, troughs (all plastic troughs are being serviced), rock picking etc.
- Hoogan Line Marking came in and repainted all white guide lines at the ramps.
- On 17 and 18 April we had the Stock Squad, Police, compliance officers and Heavy Haulage (mermaids) do an operation on trucks coming and going. One truck was yellow stickered and approx 30 vendors will be issued with warning for not completing NVD's correctly. No one was done for drink or drug driving.
- The Klenzyme F ratio was upgrade by 50% due to the phosphorus levels being high. This is to see if there is any impact on those levels.
- All staff except Charlie have had Flu injections. Erika has had a considerable amount of time in lieu so has taken weeks off where there is no sale.
- There is no sale on Anzac Day, so figures should remain the same, unless any private weighs before end of month. None have been booked at this stage.

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**5.2 SALEYARDS FINANCIAL REPORT – 31 MARCH 2013**

**File No:** CA/126/1  
**Responsible Officer:** Rob Stewart  
Chief Executive Officer  
**Author:** John Fathers  
Deputy Chief Executive Officer  
**Proposed Meeting Date:** 30 April 2013

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**PURPOSE**

The purpose of this report is to review the draft financial position of the Mount Barker Regional Saleyards for the period ending 31 March 2013.

**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 Saleyards.

**STRATEGIC IMPLICATIONS**

There are no strategic implications for this report.

**OFFICER COMMENT**

A spreadsheet showing the 31 March 2013 position of operating and capital budget items is attached for information. Overall year to date (YTD) operating expenditure is \$475,293.00, which is \$7,685.00 above YTD budget. Operating income is \$498,313.00, which is \$5,865.00 below YTD budget.

The majority of expenditure budget items are below YTD budget, although some areas are approaching YTD levels and there are some areas that have exceeded or will exceed budget, as follows:

- Labour costs are approximately 5% over YTD budget. Environmental management, in particular is requiring more effort. A larger salaries budget will be recommended for 2013/2014, in order to balance the manager's workload.
  - Environmental Services has already slightly exceeded its allocation of \$8,000.00. There has and will continue to be a need to seek advice from Charles Williams for solutions to the environmental issues.
  - Insurance for the facility was \$35,436, which was more \$3,436 above the budget amount.
  - The final cost of the environmental licence was \$4,333.00, which is \$1,833 more than budget, but not as high as we had feared.
  - Budget Item 'Other Operating Costs' has almost been fully spent due to legal fees and ALMA Membership.
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- Water Monitoring is \$1,546.00 above YTD budget, due to the increased level of monitoring required by DEC.
- Klenzyne Chemicals have been charged to the Grounds Maintenance budget item. Currently we have purchased around \$9,772.00 worth of Klenzyme F and \$2,280.00 worth of Microchem. An estimated 12 month allocation is around \$25,000.00. The Shire's environmental consultant (Charles Williams) is currently testing how well the chemicals and enzymes are working and having discussions with Klen International. Nevertheless, the administration has advised Mr Williams that this investment in enzymes is unsustainable (and he concurs). It is hoped that Mr Williams can address the Committee in regard to his recent investigations in the near future.
- There have been savings in NSQA expenses of \$5,000.00.
- The \$25,000 sludge removal allocation is unspent. Other methods of sludge removal will be looked into. The current amount of sludge in the ponds is likely affecting the ability of the pond system achieving optimal environmental performance.

These issues will require consideration for the 2013/2014 budget.

Operating Income is still marginally below YTD budget. Income received over summer has largely reduced the previous large deficit.

### **VOTING REQUIREMENTS**

Simple Majority

### **OFFICER'S RECOMMENDATION**

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

### **COMMITTEE DECISION**

**Moved Cr L Handasyde, seconded Cr C Pavlovich:**

**That:**

- 1. The report of the Deputy Chief Executive Officer, relating to the current financial position of the Great Southern Regional Cattle Saleyards, be received.**
- 2. The Chief Executive Officer be requested to seek quotations from other firms for building insurance for the saleyards facility.**

**CARRIED**

## 6 GENERAL BUSINESS

### 6.1 2013/2014 BUDGET CAPITAL ITEMS

The following capital works proposals are suggested for consideration in 2013/2014, (excluding carry forward projects and a new vehicle for the Saleyards Manager which is due for replacement):

- Priority 1 - Outloading Ramp Bugle Modification - (\$15,000.00). This is a longstanding OHS and efficiency issue and the Council has received verbal and written complaints about it. This will enable proposed changes to be made to one outloading ramp to see if it has the desired effect.
- Priority 2 - Roof Guttering replacement (ongoing project) - (\$20,000.00). It is considered that the Council should make a start on this ongoing renewal program. Guttering is rusting out badly in some areas, resulting in loss of rain water.
- Priority 3 – New Lawnmower – (\$7,000.00). The current lawnmower is reaching the end of its economic life. It does a lot of work around the yards.
- Priority 4 - Soft Floor (Stage 2) – (\$85,000.00). This is an important project to keep progressing, although we are conscious of the time it requires to install. There is still some mats not yet installed from last year and other 2012/2013 projects uncompleted, such as the completion of new yards, hay shed and below ground pipework.
- Priority 5 - Bitumen Repairs – (\$30,000.00). The current bitumen area is cracking in some areas and will need to be done, although it is considered this can wait until next year.

It is also proposed to put \$5,000 in the budget for consultant investigations into progressing the Environmental Action Plan. Given the ongoing problems with sludge removal, it is considered that a budget allocation may be required for an additional primary pond or dewatering equipment at some stage. It is recommended that at least \$50,000.00 be kept in reserve for such works.

Given the expected expenditure on capital projects and reserve movements, the projected end of year balance of the Saleyards Reserve Fund is \$84,310.00 + \$118,506.00 (2012/2013 cash surplus) = \$202,800.00. Given this, it would be prudent for the following capital items to be budgeted:

Description	Amount	Projected Reserve Balance
Projected Opening Balance (Inc C/Fwd S2012/13 Surplus)		\$202,800
Hay Shed (2012/13)	\$25,000	\$177,800
Convert Washdown Pipes to Above Ground (2012/13)	\$40,000	\$137,800
Purchase Vehicle - Saleyards Manager	\$22,887	\$114,913
Outloading Ramp Bugle Modification	\$15,000	\$99,913
Roof Guttering replacement	\$20,000	\$79,913
New Lawnmower	\$7,000	\$72,913



*During discussion the Committee requested the Chief Executive Officer to seek quotations for the replacement of roof guttering and soft floor mats (1 and 2 pallets). It was also suggested that the Saleyards Manager try to hire a Dingo Bobcat with Kanga attachment, as an alternative to wash down for cleaning out pens. Thereafter, the Committee agreed that the following projects be included in the draft budget, subject to further quotations being received on the two items mentioned:*

- *Convert Washdown Pipes;*
- *Vehicle – Saleyards Manager;*
- *Outloading Ramp Bugle Modification;*
- *Soft Floor (Stage 2);*
- *New Lawnmower;*
- *Roof Guttering Replacement.*

## **6.2 2013/2014 DRAFT OPERATING BUDGET AND FEES**

Possible budget fees and charges are listed on the attached spreadsheet, for consideration. As indicated at the Committee's last meeting, an overall increase of 4% has been assumed. Until the Committee is able to have another look at long term projections, it is recommended that at least a 4% increase is considered for 2013/2014. This may or may not enable the operation to keep pace with increasing costs depending on throughput and ongoing aeration chemical costs, which are somewhat unknown at this stage. WAMIA's current fees for the Muchea Saleyards have been included for information.

A draft operating budget has been included and a 4% increase has been factored into that. One draft budget has been modelled based on a throughput of 60,000 cattle, which is a 6.25% reduction in throughput. The other budget has been based on an average of 64,000 cattle. Both options result in an operating deficit (approx \$60,000 and \$20,000 respectively). The issues raised in the financial report have also been factored into the budget.

*During discussion the Committee considered that the draft budget be based on a throughput of 60,000 cattle, as this was the more likely scenario. While this scenario projects an operating deficit, the end of year cash position is positive after depreciation is taken into account.*

*The Committee also agreed with the fees and charges proposals, with the exception that the transit cattle fees be the same as the shipping weigh fees.*

## **6.3 CORRESPONDENCE**

Recent information from ALMA is attached.

Letters have been received from the DEC in regard to the recent compliance inspection and some issues relating to the submission of the Shire's 2012 Annual Environmental Report. DEC will not take any enforcement action in regard to the minor breaches.

## **6.4 PROPOSALS FOR FURTHER CONSIDERATION**

- Greater use of chlorinated water.
- Saleyards Strategic / Business Plan.

- Agents Agreements.
- MediaWiz Advertising Proposal.
- Procedure for dealing with sick and injured animals.

**7 NEXT MEETING**

TBA

**8 MEETING CLOSURE**

10.05 am      The Presiding Member declared the meeting closed.

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