



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,
11.00am Tuesday 31 March 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

TABLE OF CONTENTS

ITEM	SUBJECT	PAGE NO
1	DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS	1
2	RECORD OF ATTENDANCE / APOLOGIES	1
3	CONFIRMATION OF MINUTES	1
4	DISCLOSURE OF INTEREST	1
5	REPORTS OF COMMITTEE MEMBERS AND OFFICERS	2
5.1	MANAGER'S REPORT –26 FEBRUARY TO 25 MARCH 2015	2
5.2	SALEYARDS FINANCIAL REPORT – 28 FEBRUARY 2015	6
6	GENERAL BUSINESS	7
6.1	2015/2016 OPERATING BUDGET AND FEES	7
6.2	PROPOSALS FOR FURTHER CONSIDERATION	7
7	NEXT MEETING	8
8	MEETING CLOSURE	9

Membership

Cr J Moir – Presiding Member

Cr B Bell

Cr L Handasyde

Mr M Skinner

Cr J Oldfield (Deputy for any member)

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

11.00am 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
Cr John Oldfield (Deputy Member)

Apologies

Mr Michael Skinner

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 3 March 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

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 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 –26 FEBRUARY TO 25 MARCH 2015

SALE DATA

- Total sale numbers 5,295
- There have been seven cattle eligible for MSA sales in this time.
- 47 cattle have received replacement NLIS tags over this time.
- Three animals have been put down or removed.
- 3 bales of hay have been fed out over this time.
- There have been 121 cattle processed for Private/Shipper Weigh.
- Transit cattle 283 head.

GENERAL BUSINESS

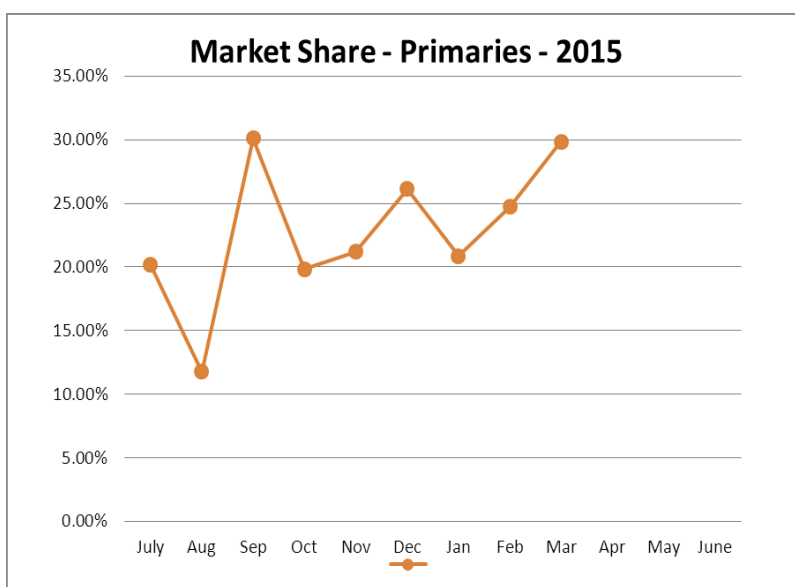
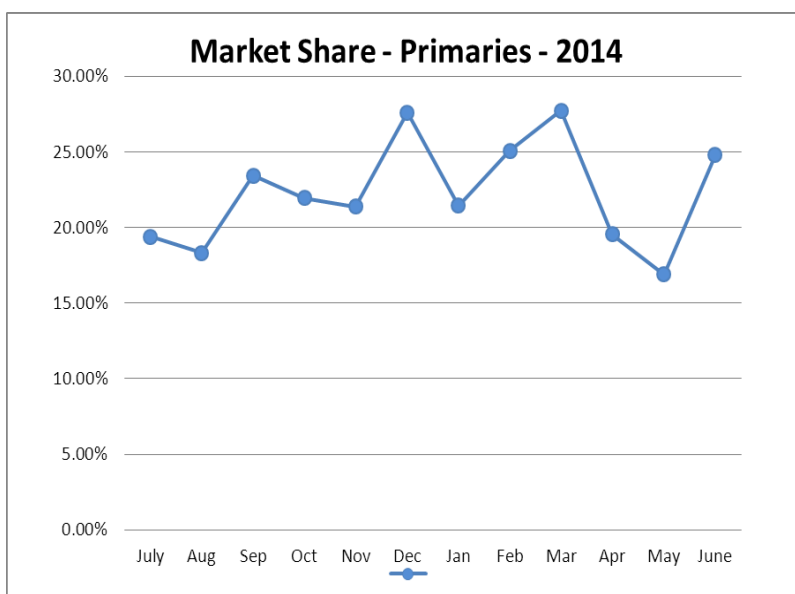
- On 4 March, AD Contractors starting cleaning the north east pond. Three semi-trailers disposed of sludge over four days. A total of 100 truckloads of spoil waste (approx 2200 tonnes) was removed.
- On Thursday 5 March, Primaries failed to remove an animal from the selling process that was not fit to sell prior to starting its sale (The animal had right hand back leg issues). Primaries was notified by saleyards staff at the weighbridge that the animal wasn't fit to load and this advice was ignored. The compliance officer John Barden was notified that there was an animal that was not fit for the sale and was to be removed prior to sale. Stewart removed the animal himself as Primaries was about to start their sale. Due to animal welfare and the public perception issues, it was very disappointing that Primaries failed to comply with simple instructions. The compliance officer is taking this matter further.
- On Friday 6 March, Andrew Lindsay, General Manager of Primaries rang Stewart as he was not happy with pen allocation and receival ramp allocation that Primaries had received in relation to the rest of the yarding.

Allocation is done on per annum sale percentage:

(Landmark 30,956 head = 47%, Elders 19,637 head = 30%, Primaries 14,861 head = 23%).

This is a matter which Primaries has now written to the Council about (See attached letter). While there are some acknowledged difficulties with the allocation, it is considered to be as fair a system as can be provided given the infrastructure in place. Stewart intends to discuss this in more detail with the Committee, however the intention is that no changes to the current system are made.

In regard to the graph submitted by Primaries, the following graphs show the Shire's records of market share in 2014 and 2015, although it is conceded that this is a monthly analysis, rather than weekly.



- On Thursday 12 March, the Agent changeover took place with Elders allocated Pen 1 for 12 months. Landmark now takes up the western pens.
- On 17 March the Harvey Beef Gate 2 Plate Feedlot Challenge Field Day and inspection at Willyung Feedlot took place. This was a great day with somewhere between 180-200 people attending for the line-up of leading industry speakers and the viewing of the competition cattle.

One of the standout speakers was Wayne Shaw, General Manager of Harvey Beef who spoke about Harvey Beef and its upgrades within the plant and their thoughts on the long term viability of the Beef Industry in Western Australia. He spoke about how Andrew Forrest was prepared to promote WA Beef to the rest of the world.

Andrew Forrest has apparently made it very clear that he is very interested in the ongoing support to the Challenge and the involvement of schools in the competition.

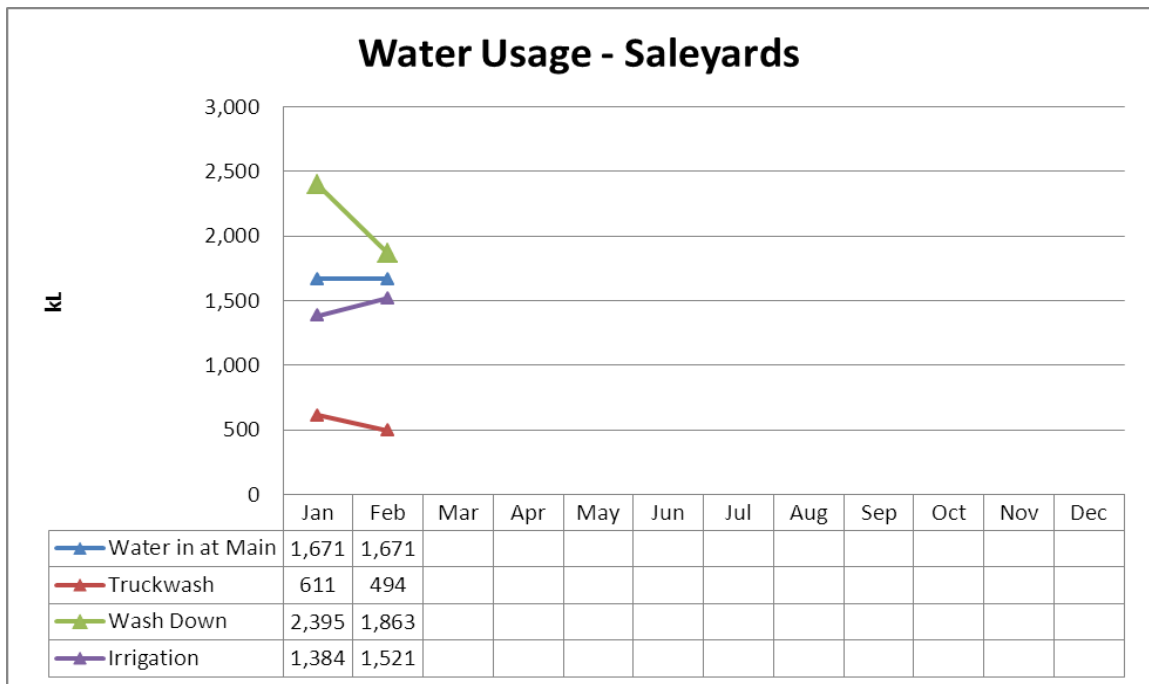
From general feedback on the day, people found it well worthwhile and a lot of useful information was gathered.

- On Wednesday 18 March, the Feedlot Schools Challenge took place. Six schools listed below took part in the first Schools Challenge from the Gate 2 Plate Feedlot Challenge initiative:
 - Catholic Agricultural College Bindoon;
 - Mount Barker Community College;
 - Western Australia Colleges of Agriculture at Cunderdin, Harvey, Narrogin and Denmark.

The principals of Great Southern Grammar-Albany and Esperance Community College attended to see what the challenge could offer to their schools. We believe both schools are keen to enter teams for the next years' challenge, and the feedback from the Cunderdin farm teacher was also very positive when the students visited the Saleyards on sale day to better understand our process.

WA College of Agriculture Denmark was the overall winner of the Challenge.

- There will be no sale on 2 April 2015 due to Easter.
- The water usage graph as requested at the last meeting is shown below. The readings for water coming in at the main are calculated readings based on readings by Water Corp in December and March.



OFFICER'S RECOMMENDATION / COMMITTEE DECISION

Moved Cr B Bell, seconded Cr L Handasyde:

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

CARRIED

During discussion, the Saleyards Manager outlined a number of opportunities where Primaries of WA might improve their operating procedures in order to mitigate the issues. The Committee was of the view that no change should be made to the current arrangements for ramp and pen allocation and that these opportunities be discussed with Mr Lindsay.

COMMITTEE DECISION

Moved Cr L Handasyde, seconded Cr B Bell:

That Primaries of WA be advised that the Committee considers that the current arrangements for ramp and pen allocation is the most appropriate and that the administration will be happy to discuss opportunities where Primaries of WA might improve their operating procedures in order to mitigate the issues.

CARRIED

5.2 SALEYARDS FINANCIAL REPORT – 28 FEBRUARY 2015

File No: CA/126/1
Responsible Officer: Rob Stewart
Chief Executive Officer
Author: John Fathers
Deputy Chief Executive Officer
Proposed Meeting Date: 31 March 2015

PURPOSE

The purpose of this report is to review the financial position of the Mount Barker Regional Saleyards for the period ending 28 February 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 28 February 2015 position of operating and capital budget items is attached for information. Overall year to date (YTD) operating expenditure is \$718,798.00, which is \$48,939.00 below YTD budget. A significant expense is expected in April with the de-sludging of a further settlement pond. There are no significant variances.

Few capital expenditures have been made to date.

Overall year to date (YTD) operating income is \$515,572.00, which is \$47,008.00 above the revised YTD budget. Weigh and Pen Fees are \$45,393.00 above YTD budget.

VOTING REQUIREMENTS

Simple Majority

During discussion, the Committee was informed that two of the three wash down pumps require major maintenance with the replacement of impellers and spline drives, at an approximate cost of \$5,000.00.

OFFICER'S RECOMMENDATION / COMMITTEE DECISION

Moved Cr L Handasyde, seconded Cr B Bell:

That the report of the Deputy Chief Executive Officer, relating to the current financial position of the Mount Barker Regional Saleyards, be received.

CARRIED

6 GENERAL BUSINESS

6.1 2015/2016 OPERATING BUDGET AND FEES

During discussion at the Committee meeting held on 3 March 2015, the administration was requested to present scenarios incorporating a throughput of approximately 70,000 head and fee increases of 2% and 3%.

The Consumer Price Index (All Groups Perth) has increased by 2.0% from December 2013 to December 2014. The Local Government Cost Index (excluding electricity and street lighting) has increased by 2.2% from September 2013 to September 2014.

The suggested budget scenarios are presented for information. The main difference is the deletion of costs for de-sludging and the addition of loan repayment costs. The scenarios result in operating surpluses (excluding non-cash items) of \$116,269 and \$122,570 for the 2% and 3% scenarios respectively. 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 scenarios include the following new capital budget requests:

- Roof over Northern Dirt Pens \$600,000
- New Generator \$25,000 (To cover electrical failures)
- New Irrigator \$5,000 (Existing one needs replacing)
- Upgrade Truckwash Controller \$4,000 (Equipment is outdated)
- Bitumen Repairs \$20,000 (Additional – Area near loading ramps badly needs replacing with hotmix)
- Outloading Bugle Ramp \$15,000 (Additional)

During discussion, the Committee was of the view that a 3% increase in fees was appropriate, given the current circumstances. It was also agreed to discuss this matter with Agents when meetings are held to negotiate new agreements. The Committee was also happy with the draft capital proposals, except for the additional \$15,000.00 for outloading bugle ramps, which should be the subject of a trial before any further allocation of funds.

6.2 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 2014/2015 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 Primaries agreement has been signed by both parties. The Landmark Deed of Agreement has been signed by both parties. The Elders Agreement has not yet received back. This is not likely to be received until a new agreement drafted and discussion with agents about \$1.00 contribution. The draft agreement has been received back from a solicitor following feedback at the Saleyards Committee meeting on 11 November 2014. The agreements are expected to be sent out to agents shortly.
- Concept design for Saleyards roof – A discussion was held in regard to expectations at the meeting held on 11 November 2014. The concept design and grant application have been submitted. The construction of a roof over the northern dirt pens at the saleyards has now been supported by the Council and detailed design plans and tender documentation for this project are being progressed.
- Standard Operating Procedures – Draft procedures have been developed. It is expected that these will 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.
- 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.
- 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.

7 NEXT MEETING

28 April 2015.

8 MEETING CLOSURE

12.09 pm The Presiding Member declared the meeting closed.

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