MidCoast Council

Nabiac Saleyards
Compliance Review

November 2016

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1. Introduction

1.1 Background

The Nabiac Saleyards, situated within the Nabiac Showgrounds Complex, are used intermittently by local agents to hold cattle sales. The saleyards have not been upgraded for many years and are likely not compliant with all relevant standards relating to animal welfare, occupational health and safety (OH&S) and environmental impacts.

1.2 Purpose of this report

GHD were engaged by MidCoast Council (Council) to complete a compliance assessment and upgrade cost estimation for the Nabiac Saleyards.

1.3 Scope and limitations

This report focusses on major non-compliance issues requiring significant investment, rather than providing an exhaustive audit of all non-compliance issues. No external stakeholder consultation was conducted.

This report: has been prepared by GHD for MidCoast Council and *may only be used and relied on by MidCoast Council for the purpose agreed between GHD and the MidCoast Council as set out in section 1.2 of this report.*

GHD otherwise disclaims responsibility to any person other than MidCoast Council arising in connection with this report. GHD also excludes implied warranties and conditions, to the extent legally permissible.

The services undertaken by GHD in connection with preparing this report were limited to those specifically detailed in the report and are subject to the scope limitations set out in the report.

The opinions, conclusions and any recommendations in this report are based on conditions encountered and information reviewed at the date of preparation of the report. GHD has no responsibility or obligation to update this report to account for events or changes occurring subsequent to the date that the report was prepared.

The opinions, conclusions and any recommendations in this report are based on assumptions made by GHD described in this report. GHD disclaims liability arising from any of the assumptions being incorrect.

GHD has prepared this report on the basis of information provided by MidCoast Council and others who provided information to GHD (including Government authorities)], which GHD has not independently verified or checked beyond the agreed scope of work. GHD does not accept liability in connection with such unverified information, including errors and omissions in the report which were caused by errors or omissions in that information.

GHD has prepared the preliminary cost estimate set out in section 4 of this report ("Cost Estimate") using information reasonably available to the GHD employee(s) who prepared this report; and based on assumptions and judgments made by GHD.

The Cost Estimate has been prepared for the purpose of providing an indicative estimate and must not be used for any other purpose.

The Cost Estimate is a preliminary estimate only. Actual prices, costs and other variables may be different to those used to prepare the Cost Estimate and may change. Unless as otherwise specified in this report, no detailed quotation has been obtained for actions identified in this report. GHD does not represent, warrant or guarantee that the works can or will be undertaken at a cost which is the same or less than the Cost Estimate.

Where estimates of potential costs are provided with an indicated level of confidence, notwithstanding the conservatism of the level of confidence selected as the planning level, there remains a chance that the cost will be greater than the planning estimate, and any funding would not be adequate. The confidence level considered to be most appropriate for planning purposes will vary depending on the conservatism of the user and the nature of the project. The user should therefore select appropriate confidence levels to suit their particular risk profile.

1.4 Assumptions

- All cost estimates are in 2016 Australian dollars
- Modelling conducted over 15 year timeline
- Financing assumes 10 year load at 6% interest rate
- Financial modelling accounts for annual repairs and maintenance costs however does not account for depreciation costs or residual value at the end of the 15 year period
- Other assumptions outlined in Financial Modelling Section (4).

1.5 Methodology

GHD undertook an assessment of major compliance issues at the facility and provided estimated costs for addressing these issues, and evaluation of economic return to Council from these investments.

Key tasks included

1. Analysis of background documents and data (including history, sale throughput, improvements made, incidents, current operating procedures).
2. Site visit to assess key compliance issues and obtain photographs
3. Documenting non-compliance issues
4. Obtaining quotations for upgrades
5. Economic analysis of required investment
6. Reporting

2. Overview of saleyard operations in Australia

Rapid changes in the livestock selling industry have occurred over the past decade, including the acceleration of direct selling methods, changes in the operating environment and increasing regulations. Figure 1 outlines the factors influencing change.

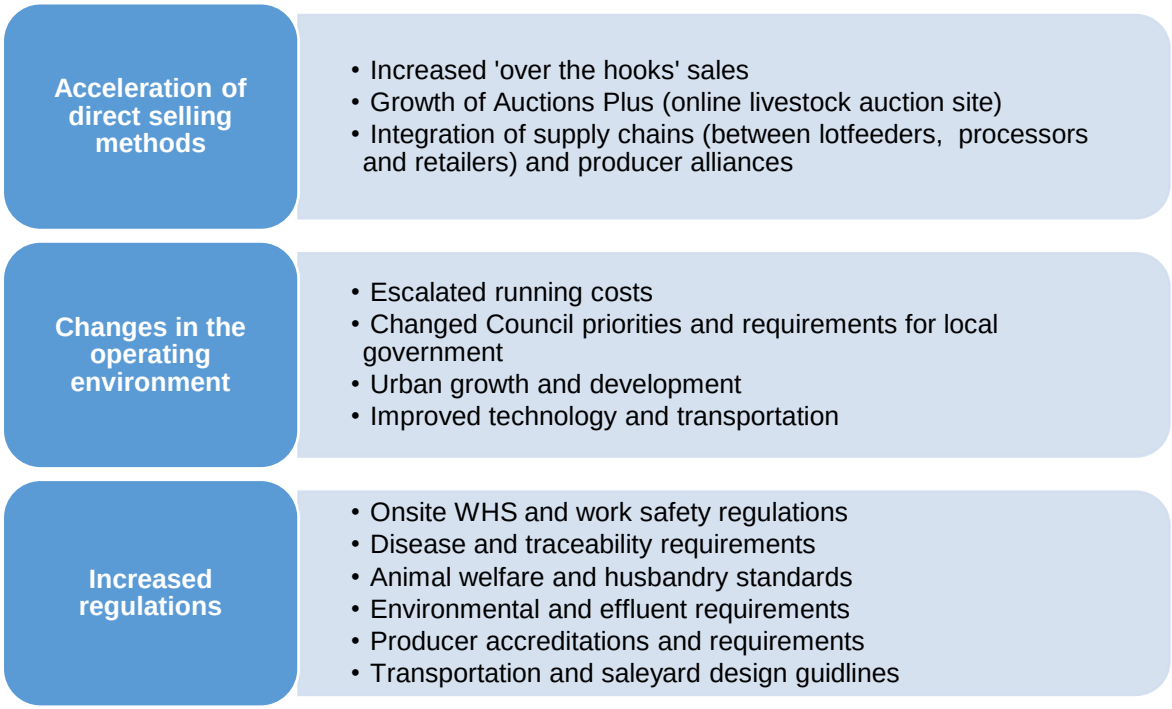

Figure 1 Drivers of change in livestock marketing

These factors have resulted in increased operating costs and increased competition for livestock. At some Council owned saleyards these factors and increased pressure from other areas for funding have creating a need for the saleyard facility to 'stand alone as a viable business entity'.

At the 2012 Australian Livestock Markets Association Conference (AMLA), the president of the Australian Livestock and Property Agents Association (ALPA) summarised the challenges facing the Australian Saleyards Industry as follows:

- *"The future of saleyards in Australia depends on investment in new infrastructure. Facilities are better equipped to comply with animal welfare, WHS legislation and incorporates state of the art design and equipment to facilitate livestock transactions".*
- *"The key success of these facilities is livestock throughput; therefore each Livestock Exchange should operate a Saleyard Advisory Committee, with Agents playing an integral role"*[1].

[1] Australian Livestock Agents Association, Australian Livestock Markets Association Conference (2012)

2.1 Past analysis of saleyard marketing in Australia

Findings from "A Review and Analysis of Saleyard Marketing in Australia"[2]

- *"Seasonal conditions and the reputation of the saleyards are the most important drivers influencing which saleyards vendors send their stock to and which yards buyers attend to purchase stock. Expected prices are also important drivers for vendors whilst the quantity and reputation of the livestock motivate buyers to purchase from a particular saleyard.*
- *In the future, the national saleyard network will be more regionalised with significant numbers of the smaller saleyards closing down, either unable to comply with increasingly stringent government regulations and/or unable to source sufficient capital to provide a level of technology comparable to their regional counterparts.*
- *To be viable in the long term, saleyards need sufficient throughput to cover the overhead costs incurred in meeting the cost of government regulations, associated technology and ongoing maintenance needs.*
- *The saleyard sector does have a significant role to play in the ongoing marketing of Australia's sheep, cattle and goats and will maintain a presence in the marketing chain. While many producers choose to market their livestock direct to works, many more continue to utilise the services of the saleyard sector.*
- *However, the sector must strive to be a part of the main game and not simply a selling avenue of last resort (e.g. for the sale of drought-affected or cull livestock only). In order for it to maintain or improve its relevance, it will need to continue pursuing improvements that reflect the priorities of the industry as a whole."*

[2] GHD Hassall (2005), A Review and Analysis of Saleyard Marketing in Australia

3. Review of facilities

GHD reviewed the Nabiac Saleyards against the requirements of The Australian Model Code of Practice for Livestock Saleyards and Lairages (Version 3, updated October 2014) ('The Code').

The Code is maintained by the Australian Livestock Markets Association, as a guide to aid saleyard and lairage owners and operators in achieving the required regulatory standards for worker health and safety and animal welfare for the facility in Australia.

The Nabiac Saleyards were assessed against key requirements in the Code as shown in Appendix A, accompanied where necessary by commentary and recommendations.

The review below also considers *Australian Animal welfare Standards and Guidelines – Livestock at Saleyards and Depots*[3] ('Animal Welfare Standards'), which is made up of both legal requirements (standards) and best practice recommendations (guidelines).

3.1 Summary of key findings

Overall the yards are in a very poor state, with a large number of non-compliances against the Code identified. GHD were asked to identifiy the most immediate and critical issues and required improvements for the saleyards, which are outlined below. However it should be noted that the suggested improvement below do not address all of the identified non-compliance issues identified, including the lack of:

- Washing facilities for transport operators, general public and staff
- Disabled facilities
- Telephone, internet access, computer and fax facilities
- Sufficient lighting
- Sign posting of restricted areas in accordance with the Saleyard Work Health and Safety Manual

3.1.1 Yard condition

The holding yards and race are in poor condition and are unlikely to meet animal welfare and OH&S standards. In many cases the original wooden yards are rotting, and have been patched up with wire and/or replaced with a mixture of different steel gates and panels. Some yards do not appear to be secure or solid enough to confidently hold large cattle. Many wooden gates are difficult to use and may pose a danger to operators, in that they are heavy, drag on the ground, have limited opening angle and have damaged latches.

The yards are configured to support ring selling of cattle, rathen than the more efficient and common practice of pen selling. Ring selling still occurs in some saleyards (e.g. Kempsey and Wagga), however most saleyards have adopted pen selling, which allows for larger lots to be sold in a shorter time, with less labour required to move animals.

GHD understands the facilities were originally designed for holding and showing cattle, and over time has been adapted for selling. This is reflected in the size of the holding yards, many of which are too small to hold more than a small number of catte.

[3] http://www.animalwelfarestandards.net.au/livestock-at-saleyards-and-depots/

Figure 2 Yards repaired with wire and a mixture of panels

Recommended improvement

Install new holding yards with capacity for approximately 350 head

Estimated cost

$70,000

3.1.2 Reticulated stock water

Stock water troughs are only provided in some yards and pens and are not connected to a reticulated water supply.

While it is not a legal requirement to provide reticulated stock water to each yard and pen, it is recommended in the Code which states:

> *Livestock holding pens and yards should be equipped with watering troughs of suitable size, and design, are easily accessible to the livestock and minimise the potential for injury and fouling of the water. Cattle should also have access to water of suitable quality for drinking within the selling pens at all times.*

Animal Welfare Standards require facilities to 'have suitable watering facilities' (Standard 3.1) however does not specifically require stock water to be provided in each yard or pen. Instead, under Standard 6.1 livestock must be provided with '*reasonable access to water within 24 hours of arrival at the facility, or within the maximum time off water period applicable to the species and class of animal if this time is less than 24 hours as defined in the Australian Animal Welfare Standards and Guidelines - Land Transport of Livestock (Livestock Transport Standards)'* (see 1 below).

Table 1 Maximum time off water

Class of animal	Max time off water
Cattle over 6 months	48 hours
Calves 30 days to 6 months old	24 hours
Lactating cows with calves at foot	24 hours
Cows known to be more than 6 months pregnant, excluding the last 4 weeks	24 hours
Calves 5-30 days old travelling without mother (12 hours max journey)	18 hours

In addition to the above legal requirements, Guideline 6.6 recommends that watering facilities be provided in all yards and pens where animals may be held for more than 12 hours.

Based on the above, the failure of the Nabiac Saleyards to provide stock water in all holding pens and yards is in breach of the Code, however not specifically the Animal Welfare Standards, provided saleyard opperators can manage livestock within the time off water limits.

However GHD consider it to be industry standard practice to provide reticulated piped water to all troughs as well as for cleaning, animal treatment and amenities. GHD do not consider the current system of unreticulated water as meeting the requirements of

- Standard 3.1 which requires the provision of 'suitable watering systems'
- Guideline 3.15 which requires reticulated water to be available for individual animal treatment when necessary.

Recommended improvement

Improve stock water access throughput the facility by installing a reticulated watering system, providing piped water to existing troughs as well as a number of newly installed troughs

Estimated cost

GHD has estimated $30,000 for these works, however it should be noted that costs will vary significantly vary depending on the location and access to existing reticulated water.

3.1.3 Loading/unloading ramps

The loading and unloading ramps are unlikely to meet OH&S and animal welfare standards as outlined in both the Code as well as the more recent Guide for Safe Design of Livestock Loading Ramps and Forcing Yards (Australian Livestock and Rural Transporters Association 2015). As a result some livestock transporters may refuse to use these ramps.

Missing features include:

- Walkways
- Handrails
- Exit/entry gate at top of ramp

Figure 3 Ramp

Recommended improvement

Install two new single deck ramps.

Estimated cost

$11,000 each = $22,000

3.1.4 Lack of crush, race and forcing yard

The Nabiac Saleyards do not have a crush with which to restrain cattle. GHD consider this to be a breach of Guideline 3.15 of the Animal Welfare Standards which states that saleyards should have an isolation pen and veterinary inspection crush.

Crush facilities are also required to safely instal emergency National Livestock Identification System (NLIS) tags to cattle which arrive without tags or whose tags have fallen off. Note that scanning of NLIS tags can be undertaken without restraining cattle using protable wands or scanners.

Recommended improvement

Install new crush, race and forcing yard.

Estimated cost

Crush (with head lifter) = $10,500

Forcing yard and race = $20,000

3.1.5 Flooring

Most saleyards have concrete flooring which reduces slipping and can readily be cleaned. For animal welfare purposes many newer saleyards are installing soft flooring, via woodchips or other forms of bedding placed over the concrete and regularly replaced.

The dirt or bare earth flooring of the Nabiac saleyards is likely to create problems for animals, operators and visitors if used during wet weather. Furthermore this dirt flooring makes the saleyards difficult to clean.

Figure 4 Dirt flooring with mud and effluent

Recommended improvement

Concrete flooring should be installed along all high traffic areas including raceways, crush, loading and unloading areas.

Estimated cost

Approximately 500m^2 at a cost of 80 per m^2 = $45,000

3.1.6 Cleaning and effluent disposable systems

The facility does not have any form or cleaning or effluent disposal system installed, to safely treat and manage effluent and waste water from the facility.

Regular cleaning of saleyards is a requirement under Animal Welfare Standard 3.1. Most saleyards are cleaned after each sale using high pressure water, which removes effluent from the floor and panels, draining to an effluent treatment system. Usually involving 2-3 evaporation ponds or tanks.

Many smaller saleyards and truck washes have installed secondary treatment systems which are typically installed following primary treatment (removal of solids). Screened effluent water passes through three poly tanks in series which contain aeration and bacteria dosing systems that treat the water and remove nutrients.

Earth Pty Ltd has installed secondary treatment systems for the Roma Livestock Exchange, Ballarat Saleyards, Harden Truckwash and Braidwood Livestock Truck Wash (Figure 5).

Figure 5 A Secondary effluent treatment system installed at the Braidwood Livestock Truck Wash (For Earth Pty Ltd)

GHD has not evaluated the suitability or effectiveness of the secondary treatment system, however consider it may present a relatively low cost solution. Council would need to speak with suppliers and saleyards who have installed similar systems to further investigate suitability. If this type of secondary treatment system is not deemed suitable, a larger evaporation pond or tank system may be required, which may increase the cost to around $200-300K.

Recommended improvement

Engage contractors to undertake cleaning after each sale.

Install new effluent disposal system.

Estimated cost

Contract cleaning $300 per clean (operating expense).

Effluent disposal system = $150,000 (capital expanse).

3.1.7 Management agreement

As the saleyard owner, the Council is responsible for ensuring NLIS requirements are met. Livestock agents may act on behalf of the saleyard owner, to manage NLIS scanning and operations, however in this case there should be a written agreement between parties clarifying responsibilities.

Saleday NLIS scanning and procedures were not observed, however it is unclear how agents could perform some requirements, for example restraining cattle to install emergency tags, without a crush to restrain animals.

Recommended improvement

It is recommended Council seek clarification from agents how NLIS requirements are being met (e.g. installing emergency tags) before establishing a written agreement between the Council and agents, clarifying NLIS responsibilities.

Estimated cost

$0

4. Financial modelling

This section evaluates the potential cost of the necessary improvements to the saleyards, and the likely timeline for repayment of a Council investment. This improvement scenario is also compared to a replacement scenario (section 4.2), in which the entire facility would be rebuilt.

4.1 Improvement scenario

4.1.1 Revenue

Nabiac saleyards are currently being used for monthly cattle sales, with a typical yarding of around 350 head. Council currently receives a flat rental amount of $320 for each sale, equating to $3,840 per annum, assuming 12 sales per year. Historical revenue collection has ranged from $2,860 to $4,334 (Table 2). This amount of revenue is insufficient to cover the upkeep and maintenance of the facility explaining why the state of the saleyards has declined.

Table 2 Historical Council revenue collection from saleyards

Year	Revenue received (excl. GST)
2012	$2,860.00
2013	$4,334.56
2014	$3,945.48
2015	$3,945.48
2016	$3,663.65

The current flat rental arrangement is not typical of council-owned saleyards, which usually charge selling fees to agents to cover the required cleaning, overheads, insurance, maintenance and improvements. These selling fees are typically passed onto sellers by agents.

Appendix B provides the results from a recent survey of saleyard selling fees in the Southern Region (Weekly Times 2015). The results show an overall average fee of $13.21, with Council owned yards averaging slightly less at $12.48.

If Council endeavoured to charge a modest selling fee of $7 per head, based on an estimated throughput of 4,200 (12 sales per year averaging 350 head per sale), the facility could return $29,400 in revenue (Table 3).

Table 3 Current and potential revenue from saleyards

Current Revenue	Potential Revenue
12 sales X $320 rent per sale	12 sales X 350 head per sale X $7 selling fee per head
$3,840 per annum	$29,400 per annum

4.1.3 Capital costs

Table 4 below provides a summary of the key (minimum) improvements which would be required to bring the facility more in-line with industry standards.

Table 4 Summary and cost estimate of key capital improvements

	Specifications	Estimated cost (+ or – 25%)
New holding yards installed	Holding yards installed with capacity of 350 head (approximately 17 pens)	$70,000
Stock water	new stock water troughs installed in holding pens	$30,000
Loading/unloading ramps	2 new single deck ramps installed ($11,000 each)	$22,000
Crush	Immobilizer crush with head lifter	$10,500
Race and forcing yard	Rotary force yard with curved race	$20,000
Concrete flooring installed	Concrete flooring installed on all race, crush and loading areas 500m^2 @ 80 per m^2	$45,000
Cleaning and effluent disposal	Evaporation effluent disposal system installed (cleaning to be conducted via portable high pressure units)	$150,000 for a secondary treatment system ($200,000 -$300,000 if a more advanced evaporative sytem is required).
Total		**$347,500**

4.1.4 Overhead costs

Council overhead costs for the yards have been negligible, as any maintenance and repairs have been undertaken by the show society or agents using the facility.

However, in order to upgrade the facility to bring it in-line with current standards, additional overhead costs are likely to be incurred, including cleaning and water. Additionally, the modelling assumes Council will take responsibility for all facility overhead costs currently being borne by the show society or agents, which will be recovered through selling fees.

Table 5 Summary of overhead cost assumptions

Item	Estimated annual cost	Source
Cleaning (contractor)	$3,600 ($300 per sale)	Based on previous GHD projects involving saleyard operations. Operating costs before repairs and maintenance typically range between $2.50-$3 per head throughput.
Water	2,000 per annum	
Electricity	1,000 per annum	
Insurance (public liability and building)	$2,000 per annum	
Repairs and maintenance	15,000 per annum	
Total	**$22,850**[4]	

4.1.5 Modelling

GHD modelled the cost and revenue from the facility over the coming 15 year period using the following assumptions:

- Capital improvements (outlined in Table 4) completed in year 1 and funded via a 10 year loan with 6% interest rate.
- Selling fees implemented at $7 per head
- 12 sales per annum, averaging 350 head each
- Council to incur overhead costs outlined in Table 5.

The results of the financial modelling (outlined in Table 6 below), show the facility returning operating losses for the coming 10 years until the loan is repaid, after which time a $6,550 operating profit is returned.

Over the 15 year period the facility would return a cumulative loss of $363,925 from Council revenue. In order to achieve a breakeven return for Council, selling fees would need to be set at $12.8 per head based on current throughput (Table 7).

[4] Excludes Council staff costs

Table 6 Financial modelling results: Improvement Scenario

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Capital Expenses (CapEx)															
New holding yards installed	70,000														
Loading/unloading ramp	22,000														
Crush	10,500														
Race and forcing yard	20,000														
Effluent disposal	150,000														
Concrete flooring installed	45,000														
Stock water	30,000														
Total Capex	**347,500**														
Operating Expanses (Opex)															
Cleaning (contractor)	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
Water	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Electricity	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250
Insurance (public liabity and building)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Repairs and maintenance	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Total Opex	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**
Total Costs	**370,350**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**
Revenue															
Number of sales per annum	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Cattle per sale	350	350	350	350	350	350	350	350	350	350	350	350	350	350	350
Total throughput	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200
Yard dues (indicative)	7.0	7	7	7	7	7	7	7	7	7	7	7	7	7	7
Total revenue	**29,400**	**29,400**	**29,400**	**29,400**	**29,400**	**29,400**	**29,400**	**29,400**	**29,400**	**29,400**	**29,400**	**29,400**	**29,400**	**29,400**	**29,400**
Total profit (loss) before servicing loan	**6,550**	**6,550**	**6,550**	**6,550**	**6,550**	**6,550**	**6,550**	**6,550**	**6,550**	**6,550**	**6,550**	**6,550**	**6,550**	**6,550**	**6,550**
Loan amount	347,500	312,750	278,000	243,250	208,500	173,750	139,000	104,250	69,500	34,750	-	-	-	-	-
Loan period (years)	10														
Interest rate	6%														
Principle	34,750	34,750	34,750	34,750	34,750	34,750	34,750	34,750	34,750	34,750					
Interest	20,850	18,765	16,680	14,595	12,510	10,425	8,340	6,255	4,170	2,085	-	-	-	-	-
Total principal and interest	55,600	53,515	51,430	49,345	47,260	45,175	43,090	41,005	38,920	36,835	-	-	-	-	-
Total profit (loss) after loan repayments (i.e. change to Council revenue)	**-49,050**	**-46,965**	**-44,880**	**-42,795**	**-40,710**	**-38,625**	**-36,540**	**-34,455**	**-32,370**	**-30,285**	**6,550**	**6,550**	**6,550**	**6,550**	**6,550**
Cumulative profit or loss over 15 years	**-363,925**														

Table 7 Sensitivity analysis: Cumulative profit or loss over 15 years, based on various selling fee and throughput scenarios

		Monthly throughput				
		250	300	350	400	450
Selling fees	$5	-$579,925	-$534,925	-$489,925	-$444,925	-$399,925
	$7	-$489,925	-$426,925	-$363,925	-$300,925	-$237,925
	10	-$354,925	-$264,925	-$174,925	-$84,925	$5,075
	15	-$129,925	$5,075	$140,075	$275,075	$410,075
	20	$95,075	$275,075	$455,075	$635,075	$815,075

4.2 Replacement scenario

The above improvements are likely to enable the saleyards to continue to operate into the future, however in some cases retro-fitting these improvements alongside existing aging facilities is difficult and expensive.

Furthermore repairing the current facility will not address all the non-compliance issues identified in Appendix A, and would therefore be a short-term option, particularly given that standards are likely to become more strict in the future. There is an obvious risk that Council could invest in repairing the facility and still have it closed down due to additional non-compliance issues for example lack of:

- Washing facilities for transport operators, general public and staff
- Disabled facilities
- Telephone, internet access, computer and fax facilities
- Sufficient lighting
- Sign posting of restricted areas in accordance with the Saleyard Work Health and Safety Manual

For this reason, Council should consider the option of replacing the entire facility, which would provide a much longer term solution. A replacement facility would most likely adopt pen selling (rather than the current ring selling) with raised walkways, concrete flooring (with woodchip bedding), pressurised cleaning, effluent disposal and potentially a roof.

Table 8 Replacement cost estimate

Item	Assumptions	Estimate
Saleyards	$250-$300 per M^2 *(assume $275) Existing yards approximately 3500M^2	$962,500
Roof	$200 per M^2 Assuming 1000 M^2 undercover	$300,000
Effluent disposal	Secondary effluent disposal system suitable	$150,000
Additional	Demolition, connections, approvals, miscellaneous	$80,000
Total		$1,492,500 (with roof) $1,192,500 (without roof)

4.2.1 Modelling

The replacement scenario was modelled by applying the same assumptions as to the improvement scenario, however with additional capital expanses.

The results of the financial modelling (outlined in Table 9 below), show the facility returning operating losses for the coming 10 years until the loan is repaid, after which time a $6,550 annual operating profit is returned.

Over the 15 year period the facility would return a cumulative loss of over $1.8M from Council revenue. In order to achieve a breakeven return for Council, selling fees would need to be set at over $32 per head with throughput of over 400 head per month (Table 7). These fees would prohibit many sellers.

Table 9 Financial modelling results: Replacement Scenario

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Capital Expenses (CapEx)															
Saleyards	962,500														
Roof	300,000														
Effluent disposal	150,000														
Additional	80,000														
Total Capex	**1,492,500**														
Operating Expanses (Opex)															
Cleaning (contractor)	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
Water	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Electricity	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250
Insurance (public liabity and building)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Repairs and maintenance	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Total Opex	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**
Total Costs	**1,515,350**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**	**22,850**
Revenue															
Number of sales per annum	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Cattle per sale	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400
Total throughput	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800
Yard dues (indicative)	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7
Total revenue	**33,600**	**33,600**	**33,600**	**33,600**	**33,600**	**33,600**	**33,600**	**33,600**	**33,600**	**33,600**	**33,600**	**33,600**	**33,600**	**33,600**	**33,600**
Total profit (loss) before servicing loan	**10,750**	**10,750**	**10,750**	**10,750**	**10,750**	**10,750**	**10,750**	**10,750**	**10,750**	**10,750**	**10,750**	**10,750**	**10,750**	**10,750**	**10,750**
Loan amount	1,492,500	1,343,250	1,194,000	1,044,750	895,500	746,250	597,000	447,750	298,500	149,250	-	-	-	-	-
Loan period (years)	10														
Interest rate	6%														
Principle	149,250	149,250	149,250	149,250	149,250	149,250	149,250	149,250	149,250	149,250	-	-	-	-	-
Interest	89,550	80,595	71,640	62,685	53,730	44,775	35,820	26,865	17,910	8,955	-	-	-	-	-
Total principal and interest	238,800	229,845	220,890	211,935	202,980	194,025	185,070	176,115	167,160	158,205	-	-	-	-	-
Total profit (loss) after loan repayments (i.e. change to Council revenue)	**-228,050**	**-219,095**	**-210,140**	**-201,185**	**-192,230**	**-183,275**	**-174,320**	**-165,365**	**-156,410**	**-147,455**	**10,750**	**10,750**	**10,750**	**10,750**	**10,750**
Cumulative profit or loss over 15 years	**-1,823,775**														

Table 10 Sensitivity analysis: Cumulative profit or loss over 15 years, based on various selling fee and throughput scenarios

		Monthly throughput				
		250	300	350	400	450
Selling fees	$5	-$2,102,775	-$2,057,775	-$2,012,775	-$1,967,775	-$1,922,775
	$7	-$2,012,775	-$1,949,775	-$1,886,775	-$1,823,775	-$1,760,775
	10	-$1,877,775	-$1,787,775	-$1,697,775	-$1,607,775	-$1,517,775
	15	-$1,652,775	-$1,517,775	-$1,382,775	-$1,247,775	-$1,112,775
	20	-$1,427,775	-$1,247,775	-$1,067,775	-$887,775	-$707,775
	25	-$1,202,775	-$977,775	-$752,775	-$527,775	-$302,775
	30	-$977,775	-$707,775	-$437,775	-$167,775	$102,225

5. Conclusion

The Nabiac Saleyards face a number of compliance issues relating to animal welfare, OH&S and environmental managements. GHD believe addressing these issues would require at a minimum the following improvements:

- New holding yards installed
- Instillation of reticulated stock water
- Replacement of loading and unloading ramps
- Installation of a cattle crush, with accompanying race and forcing yard
- Instillation of concrete flooring along races and other high traffic areas
- Instillation of an effluent treatment system
- Development of a formal agreement between Council and users of the yards, clearly clarifying the roles and responsibilities.

The cost of addressing these compliance issues is estimated at $347,500. Under current usage and fee arrangements, there is no realistic opportunity to recover these investments. In order to achieve a breakeven return for Council over a 15 year timeframe, selling fees would need to be set at $12.8 per head based on current throughput.

The cost to replace the current facility with a new saleyard facility is estimated at between $1,192,500 (without roof) and $1,492,500 (with roof). Under this scenario Council losses would be significantly higher.

GHD believe that continuing to conduct public livestock sales at the facility is likely to place Council at risk of breaching its duty of care to provide acceptable OH&S, animal welfare and environmental management.

Recommendation

Given the large number of defects and non-compliance issues identified, GHD recommend that the facility not be used for holding public livestock sales, untill it can be upgraded or rebuilt to meet current standards.

6. References

Australian Animal Welfare Standards and Guidelines — Land Transport of Livestock. Animal Health Australia (AHA) 2012, Canberra.

Australian Livestock and Rural Transporters Association (2015) *Guide for Safe Design of Livestock Loading Ramps and Forcing Yards*

Australian Animal welfare Standards and Guidelines – Livestock atSaleyards and Depots. Department of Economic Development, Jobs, Transport and Resources (2015)

GHD Hassall (2005). *A Review and Analysis of Saleyard Marketing in Australia*, Department of Agriculture Fisheries and Forestry, Canberra.

Saleyard Operators Australia (2014). *Australian Model Code of Practice for Livestock Saleyards and Lairages*.

Saleyard rates vary dramatically across Southern Australia, The Weekly Times, 2nd September, 2015, <http://www.weeklytimesnow.com.au/agribusiness/cattle/saleyard-rates-vary-dramatically-across-southern-australia/news-story/1a24957c2c6af6cf2f3e7f689e52f7d8>

Appendices

Appendix A – Review of facilities

Rating	Description
✓✓✓	Significantly exceeds recommendations
✓✓	Moderately exceeds requirements
✓	Minimally exceeds requirements
O	Meets minimum requirements
×	Minor work required to meet requirements
××	Moderate work required to meet requirements
×××	Major work required to meet requirements
?	Insufficient evidence to rate compliance

Industry Requirement	Compliance Ranking	Commentary	Recommendations
Site and services requirements			
Outcome required: The saleyard is located and provided with essential services to facilitate safe, efficient and environmentally friendly operation			
Site			
Flood protection and drainage	xxx	• Site is understood not to be flood prone. • There is no visible drainage of site including pens and holding areas. • Earth floor throughout pens and holding yards • Roof water from covered sales area also discharges to ground surface.	• Requires complete drainage system installed in order to meet ALMA Model Code of Practise (General Requirements) • Effluent management system also required for treatment of run off liquor.
Odours, dust and environmental contamination	xxx	• All pens and holding areas contain animal faeces thus creating odour. • Earth flooring susceptible to dust issues in dry periods • Earth flooring and inability to clean areas equate to general environmental issues arising.	• Requires flooring upgrade to solid base and cleanable material overlay arrangement(s) • Requires installation of wash down facilities (at least to pen areas)
Size appropriate for use	O	• Area of saleyard understood to suitable for existing throughput use.	• Any improvements in facilities might increase throughput and needs to be considered
Safe access and egress for loading/unloading, turning and parking	xxx	• Approaches to each of the two ramps only partly surfaced and overgrown. • Both loading / unloading ramps not compliant with specific standards, including slip reduction surface / steps. • A temporary unloading ramp noted at site however not in saleyard area itself. • No designated level parking area for delivery vehicles.	• Improvements to loading and unloading overall arrangements and facilities required. • Requires attention in order to meet ALMA Model Code of Practise guidelines for all stock type and general requirements
Services			
Water quality, pressure, efficient use	xxx	• No substantive water supply visible at saleyard area.	• Requires attention in order to meet ALMA Model Code of

Industry Requirement	Compliance Ranking	Commentary	Recommendations
		• 2 water throughs in holding yards and none in pens. • No mist, wash down facilities viewed at site. • No vehicle wash down facilities at site (albeit it is understood there are <25 sales per years and may not be required to meet requirements.	Practise guidelines (Feed and Water)
Energy supply	xx	• Existing power to saleyard given only one floodlight for loading area and limited lighting in sales pen area. • General showground site not investigated for further supply options.	• Any upgrade in facilities will dictate improved power supply and associated equipment.
Waste disposal and liquid waste	xxx	• No known disposal facilities at site. (solid or liquid) • No known capability to clean pens	• Requires attention in order to meet ALMA Model Code of Practise guidelines (General Requirements).
Environmental contamination from traffic ways and dust	xx	• Area of parking limited. • Surface of grass and sealed areas	• Some improvement required overall in line with other items herein.
Environmental approvals	O	• Considered not to comply with several environmental requirements based on lack of facilities	• Overall improvements to be considered for cost effectiveness and take account of environmental benefit accordingly.
Structural requirements			
Outcome required: The saleyard is designed, constructed and maintained to facilitate efficient flow and visibility of livestock for sale whilst providing for human safety and animal welfare			
General			
Operator safety maximisation	xx	• Old saleyard arrangements in need of general improvements to prevent injury to staff and users	• Requires attention in order to meet ALMA Model Code of

Industry Requirement	Compliance Ranking	Commentary	Recommendations
			Practise guidelines and WHS Act and Regulations (2011)
Stress and injury to livestock minimisation	x	• No saleyard activity witnessed albeit general improvements recommended elsewhere within the evaluation would reduce any potential stress to livestock	• Overall improvements elsewhere to be implemented as to reduce potential stress to livestock.
Standards compliance		•	•
• No projections	xx	• Old style fencing and materials not compliant with required standards due to poor state of repair	• Requires attention in order to meet ALMA Model Code of Practise guidelines and WHS Act and Regulations (2011)
• Slippery surfaces minimal	x	• Earth flooring used to prevent slippage albeit steps and sure footing arrangements do not meet required standards for loading / unloading ramps and raceways	• Requires attention in order to meet ALMA Model Code of Practise guidelines (Loading / Unloading areas and ramps)
Saleyard/lairage smooth flow of livestock	xx	• General pen and gate arrangements not compliant with requirements – specifically angles of gate openings and ability to move livestock (Albeit no sales day activities witnessed)	• Requires attention in order to meet ALMA Model Code of Practise guidelines (Handling and general management of livestock)
Races and pressure areas in high movement areas to have solid sheet designs	xx	• No solid sheet designs viewed at saleyard / holding yard and pen areas	• Requires attention in order to meet ALMA Model Code of Practise guidelines (Handling and general management of livestock)
Livestock movement in sale areas (non-slip surfaces)	x	• Earth flooring considered non slip albeit general improvements to loading / unloading areas and raceways required along with wash down facilities given wet earth flooring may become slippy with animal waste.	• Requires attention in order to meet ALMA Model Code of Practise guidelines (Handling and general management of livestock)

Industry Requirement	Compliance Ranking	Commentary	Recommendations
Holding areas (soft standing and under cover)	x	• Earth flooring in holding areas. • No covered areas and limited tree shade available in all holding yard and pen areas.	• May not be required due to limited length of day sale activity
Livestock selling area size	xx	• General arrangement to be improved given centre pole limiting sales area capabilities.	• Requires attention in order to meet ALMA Model Code of Practise guidelines (General Requirements and WHS Act and Regulations (2011))
Yard drainage collection and disposal of waste	xxx	• No drainage or disposal facilities viewed at saleyard.	• Requires attention in order to meet ALMA Model Code of Practise guidelines (General Requirements)
• Comply with State regulations	xxx	• No drainage therefore does not comply	• Requires attention as elsewhere in this report.
• Minimise risk to the surrounding area	x	• Earth flooring containing majority of waste within saleyard area albeit sale day activity and wet day events not witnessed	• Improvements recommended elsewhere in this report should address this specific matter.
Contamination of livestock by dust, mud and faeces	××	• Soft floor dirt surface mixes with rainfall	• Requires attention in order to meet ALMA Model Code of Practise guidelines (General Requirements)
Soil areas dust reduction processes	×	• No known practices	• Improvements recommended elsewhere in this report should address this matter.
Sale areas offer safe access for public and buyers with clear view to livestock	xxx	• Viewing platforms and general sale areas do not comply with required standards. • General arrangements do not meet required WHS Act requirements in the welfare / protection of public.	• Requires attention in order to meet ALMA Model Code of Practise guidelines (Public and auctioneers walkways and WHS Act and Regulations (2011))
Comply with OH&S requirements for protection from extreme weather			

Industry Requirement	Compliance Ranking	Commentary	Recommendations
• Livestock	x	• Covered sales area. • No protection for holding yards and pens.	• May not be required due to limited length of day sale activity
• Buyers, sellers, agents, and staff	×	• No facilities viewed for welfare of buyers, sellers, agents or staff in wet weather events (washing / drying rooms)	• May not be required due to limited length of day sale activity
Feed and water			
Livestock holding pens and yards and selling pens equipped with watering troughs of suitable size	xx	• Holding yards has limited throughs. • No water facilities in pens.	• Requires attention in order to meet ALMA Model Code of Practise guidelines (Feed and water)
• Accessibility	xx	• Holding yard access with no pen water access viewed.	•
• Potential for injury	O	• Lack of facilities removes injury risk	•
• Fouling of water	xx	• All water facilities have potential for being affected by fouling	•
24 hour stock holding facilities			•
• Feeding facilities	O	• No 24 hour stock holding is understood to occur at saleyard	• N/A
• Agistment paddock(s)	O	• No 24 hour stock holding is understood to occur at saleyard	• N/A
Shelter			
Shade from heat	xx	• Limited shade from trees, no covered area for livestock holding yards or pens	• May not be required due to limited length of day sale activity
Protection from rain and the cold	xx	• No protection available	• May not be required due to limited length of day sale activity
Vehicular access			
Loading ramps		•	•
• Level	xx	• Slight incline albeit generally level	• General improvements to loading and unloading facilities

Industry Requirement	Compliance Ranking	Commentary	Recommendations
			recommended elsewhere in this report is considered to address any requirements.
• Paved or sealed	xx	• Broken sealed surface and overgrown / weeds / grass	• As above
Dust minimisation	xx	• No dust suppression system viewed	• Recommendations elsewhere in this report considered to address this requirement given improved water provisions and wash down capacities.
Parking facilities for patrons			
• Separation from livestock vehicles	Xxx	• No sale day activity viewed albeit it is understood from general arrangements that there is no separation	• General improvements required in vehicle parking and access to address recommendations of ALMA Model Code of Practise guidelines (Vehicular Areas)
• Potholes, corrugations or bogging	X	• Gravel and grassed areas	•
• Signage	xx	• Lack of signage viewed	•
Emergency vehicles access	x	• No specific provision albeit relatively small saleyard with good access from showground area if required	•
Stock agent and buyer parking and signposting	×	• Lack of signage	•
Loading and Unloading Areas		•	•
Safe workplace and environment	xx	• Not considered to meet requirements	• General improvements required in vehicle parking and access to address recommendations of ALMA Model Code of Practise guidelines (Vehicular Areas and Loading / unloading areas)
Ease of access and smooth traffic flow		•	•

Industry Requirement	Compliance Ranking	Commentary	Recommendations
Compliance with Saleyard Work Health and Safety Manual	xx	• Does not generally meet required WHS Act and regulations due to limited area for parking and movement of vehicles albeit reversing and general sale day activities not viewed in practise	• May not be required due to limited sale activity per year (< 25)
Lighting		•	•
• Allowance for night time operation	xxx	• Limited lighting in loading / unloading area , concern with reversing movements albeit no night time activity is understood to occur	• May not be required due to limited length of day sale activity
• Pens	xxx	• No lighting	• May not be required due to limited length of day sale activity
• Unloading and loading areas	xx×	• Limited lighting via one pole with two flood lights fitted	•
• Positioning of lighting for safe animal movement with shadow minimisation	xx	• Limited lighting will cause shadows, however infrequent night use, if any	•
• Lighting impacts on neighbouring properties	xx	• No lighting removes impact	•
• Compliance with Standards on lighting in saleyards	xxx	• Not considered to comply with standards albeit no LUX reading study undertaken	•
Public and Auctioneers Walkways		•	•
Handler facilities compliance with Australian Standard AS1657 – 1992 “Fixed platforms, walkways, stairways and ladders - design, construction and installation” and consideration given to the Work Health & Safety Regulation, 2011	xxx	• All such facilities at saleyard either not in existence or of a standard that cannot be measured in accordance with prescribed standards.	• Requires attention in order to meet ALMA Model Code of Practise guidelines (Public and auctioneers walkways and WHS Act and Regulations (2011))
• Walkways		• N/A	• N/A
• Guard-rails		• N/A	• N/A
• Stairs		• N/A	• N/A
• Landings		• N/A	• N/A
• Hand-railing		• N/A	• N/A

Industry Requirement	Compliance Ranking	Commentary	Recommendations
• Fixed ladders		• N/A	• N/A
Auctioneers walkways from stock lanes			
• Signage to prevent unauthorised entry		• N/A	• N/A
• Separation of walkway from livestock		• N/A	• N/A
Scale walkway			
• Walkway in scale area		• N/A	• N/A
Ramps			
Comply with the Australian Standard AS1657 – 1992 and consideration given to the Work Health & Safety Regulation, 2011	xxx	• All such facilities at saleyard either not in existence or of a standard that cannot be measured in accordance with prescribed standards.	• Requires attention in order to meet ALMA Model Code of Practise guidelines (Loading / unloading)
Engineer's design certification statement before installation		• N/A	• N/A
Slope 12 degrees maximum on all cattle ramps		• N/A	• N/A
Minimum 1.5m length level landing platform		• N/A	• N/A
Portable or adjustable ramps		• N/A	• N/A
Gap between the loading ramp and floor of the stock crate covered with flaps and filler boards		• N/A	• N/A
Non-slip materials		• N/A	• N/A
Level paved areas for truck rear wheels		• N/A	• N/A
Level ground		• N/A	• N/A
Ramp walls blanked in with smooth internal cladding (in Victoria ramp sides must be fully sheeted)		• N/A	• N/A
Entry and exit gates with a minimum width of 600mm for personal access and walkways both sides of each ramp		• N/A	• N/A
Ramp surface		• N/A	• N/A
• Concrete steps with rise of 100mm		• N/A	• N/A

Industry Requirement	Compliance Ranking	Commentary	Recommendations
• Tread width of 450mm or cleats 25mm by 25mm spaced 400mm apart on a concrete surface		• N/A	• N/A
• Non-slip surface		• N/A	• N/A
• Easily cleaned		• N/A	• N/A
Ramp race dimensions		• N/A	• N/A
• Width of 800mm		• N/A	• N/A
• Top rail height minimum of 1650mm measured from ramp surface		• N/A	• N/A
• Preferred height 1800mm		• N/A	• N/A
Ramp Race Construction (including draft races)		• N/A	• N/A
• At the bottom of each ramp 2000mm x 800mm section of race joining the forcing yard and the loading ramp		• N/A	• N/A
Ramp docking facilities (rear loading)		• N/A	• N/A
• Self-aligning bumper bridging the gap between the race ramp and the truck		• N/A	• N/A
• Adjustable side panels to fit against truck		• N/A	• N/A
Selling pens		•	•
Access and viewing of livestock by facility staff, buyers and agents	xxx	• Holding pens at saleyard but no facilities to sell from these given age dictates wooden structures and extremely limited access to the areas concerned.	• Should selling of livestock currently occur from the existing pens then the practise is recommended to cease due to WHS compliance requirements
Adequate space for animals to access water		• N/A	• N/A
Livestock movement in accordance with recommended stock densities for the welfare of livestock at saleyards		• N/A	• N/A
Soft flooring		• N/A	• N/A
Average space per animal comply with Model Code of Practice for the Welfare of Animals – Animals at		• N/A	• N/A

Industry Requirement	Compliance Ranking	Commentary	Recommendations
Saleyards SCARM Report 31, 2002 http://www.publish.csiro.au/Books/download.cfm?ID=367			
Recommended dimensions		• N/A	• N/A
• Twice the width as depth (approximately 6x3m)		• N/A	• N/A
• Laneway width 2.9m		• N/A	• N/A
• Gates in dividing pens to allow for larger lot size and cleaning purposes		• N/A	• N/A
Holding pens, forcing yard and drafting races			
Graded not less than 1 to 50 to drains	xxx	• No drainage or grading viewed at saleyard.	• Holding yards have soft flooring and may not require upgrade due to limited use of saleyard.
Average space per animal comply with Model Code of Practice for the Welfare of Animals – Animals at Saleyards SCARM Report 31, 2002 http://www.publish.csiro.au/Books/download.cfm?ID=367	xxx	• Whilst holding yards are not specifically in requirement of drainage and improvement due to limited use the remaining raceways and pens are all considered non-compliant with requirements.	• Improvements recommended elsewhere in this report are considered to address the specific issues presented in this section and have therefore not been addressed in detail
No protrusions		• N/A	• N/A
Soft flooring		• N/A	• N/A
Pen dimensions		• N/A	• N/A
• Easy access to water		• N/A	• N/A
• Minimum gate opening widths should be 2400mm		• N/A	• N/A
• The top rail heights minimum of 1650mm measured from the yard surface (preferred 1800mm)		• N/A	• N/A
Forcing yard and loading ramp gates to be ‘slam shut’ spring loaded type (no protrusions) with person access gate leading to the loading race catwalk		• N/A	• N/A
Receival yards			

Industry Requirement	Compliance Ranking	Commentary	Recommendations
Configurations and dimensions to be merits based		• N/A	• N/A
Soft surfaces to be covered with appropriate material (e.g. sawdust, wood chips, matting etc) to minimize hazard from effluent contained in the material.		• N/A	• N/A
Hard surface areas prefer grooved surface		• N/A	• N/A
• Cleats: recommended 50mm by 50mm, spaced 400mm apart and at a 90 degree angle to the direction of livestock movement		• N/A	• N/A
Truck wash areas (recommended for saleyards conducting 25 or more sales a year)			
Outcome required: Transport wash areas that enable effective cleaning of vehicles, prevent environmental contamination and eliminate any other animal welfare and biosecurity risks **NB – Given limited sale activity at saleyard (<25 per year) the section below is not required and has not been considered accordingly.**			
Concrete paving		• N/A	• N/A
20 metres (maximum sized semi-trailer)		• N/A	• N/A
B-doubles		• N/A	• N/A
Graded to a drainage inlet		• N/A	• N/A
Edge kerbing greater than 300mm		• N/A	• N/A
Water of adequate pressure and volume		• N/A	• N/A
Wastewater management disposal to minimize risk to environment, and comply with local and State regulations		• N/A	• N/A
Signage displaying operating hours and instruction for use		• N/A	• N/A
Water recycling		• N/A	• N/A
Provision for livestock transporters to clean vehicle prior to the loading of any livestock		• N/A	• N/A
Amenities			
Outcome required: Provide suitable facilities that meet the needs of patrons, vendors, agents, buyers, carriers and anyone else that conducts business at the saleyard			

Industry Requirement	Compliance Ranking	Commentary	Recommendations
Waste disposal	xxx	• General showground has facilities yet no amenities are available for saleyard patrons specifically.	• Requires attention in order to meet ALMA Model Code of Practise guidelines (Operational Requirements and WHS Act and Regulations (2011))
Hygienic toilet	x	• Not at saleyard area	•
Washing facilities for transport operators, general public and staff	x	• Not at saleyard area	•
Disabled facilities	xx	• None	•
Building Code of Australia and the Health Act compliance	xx	• Not specifically addressed however not considered compliant in general failures for WHS standards	• TBC
Lighting compliant with Work Health and Safety requirements within the saleyard complex	xx	• Not specifically addressed however not considered compliant in general failures for WHS standards	• Consider installing attentional lighting as required
Office accommodation	xx	• None	•
• telephone, internet access, computer and fax facilities	xx	• None viewed	•
• emergency telephone (locations clearly identified)	××	• None at saleyard	• Install emergency telephone and/or highlight location
• separate material storage area for cleaning and maintenance equipment	O	• No requirement due to lack of materials	•
Canteen to comply with all local health regulations	O	• None at saleyard	•
Operational requirements			
Outcome required: Saleyards are managed and operated in a way that is acceptable to the general public, stakeholders, and in a manner that safeguards human safety, food safety and animal welfare			
Hazardous materials stored in lockable shed	O	• No requirement due to lack of materials	• N/A
First aid facilities		•	•
Sign posting of restricted areas in accordance with the Saleyard Work Health and Safety Manual	×××	• No signage	• Install sign posting of restricted areas

Industry Requirement	Compliance Ranking	Commentary	Recommendations
Overhead powerlines entry and exit and in proximity to elevated work areas	O	• None at saleyard	•
Comply with the National Livestock Identification System (NLIS) National Business Rules	xxx	• As the saleyard owner, Council is responsible for ensuring NLIS requirements are met. Livestock agents may act on behalf of the saleyard owner, to manage NLIS scanning and operations, however in this case there should be a written agreement between parties clarifying responsibilities. • Saleday NLIS scanning and procedures were not observed, however it is unclear how agents could perform some requirements, for example restraining cattle to install emergency tags, without a crush to restrain animals.	• Seek clarification from agents how NLIS requirements are being met (e.g. installing emergency tags) • Establish a written agreement between Council and agents, clarifying NLIS responsibilities (or include in licence agreement discussed below).
Provision for 24 hour per day emergency unloading	O	• Not required	•
Saleyard security - elimination of stray dogs or other nuisance animals	xxx	• None provided	•
Weigh-scale operations			
Outcome required: Regular authorised scale calibration checks are undertaken to ensure the accuracy of weighing at all times			
Accuracy and calibration	NA	• No equipment viewed at saleyard, it is assumed cattle are not being sold based on liveweight.	•
Transparency		• N/A (see above)	•
Saleyard operator responsibilities			
Outcomes required: the saleyard operator carries out their responsibilities to ensure the efficient operation of the saleyard complex, and to optimise animal welfare and human safety			

Industry Requirement	Compliance Ranking	Commentary	Recommendations
Licencing agreement with each agents, including duties and responsibilities	N/A	• Licencing agreements not cited	• Establish licencing agreements, ensuring legal risks are managed
Sale terms and conditions	N/A	• Terms and conditions not cited	• Establish and advertise standard sale terms and conditions, as set out by Australian Livestock and Property Agents' Association (ALPA)
Training and staff competency			
• Competent person(s) available or on-call for relevant duties, including Worksafe Health & Safety	N/A	• Not considered within this report	• N/A
• Nominated person(s) competent in humane destruction of livestock and available as required	N/A	• Not considered in this report	• N/A

Appendix B – Comparison of saleyard selling fees in Southern Australia (The Weekly Times 2015)

Saleyard	Selling fees	Owner
Bairnsdale	$15.80	Council
Bendigo	$8.63	Council
Camperdown	$14.40	Council
Colac	$16.50	Council
Deniliquin	$8.80	Private
Finley	$8.80	Private
Hamilton	$9.80	Council
Horsham	$16.55	Council
Kerang	$9	Private
Leongatha	$18.60	Private
Mt Gambier	$8.40	Council
Naracoorte	$9.83	Council
Pakenham	$18.60	Private
Sale	$21.34	Private
Shepparton	$16.30	Council
Wagga Wagga	$12	Council
Wangaratta	$10.80	Council
Warrnambool	$14.05	Council
Wodonga	$12.70	Private
Average overall	**$13.21**	
Average council	**$12.48**	
Average private	**$13.98**	

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Rev No.	Author	Reviewer		Approved for Issue		
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