

Title: Future Operation of the Laidley Saleyards

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Purpose

The purpose of the attached Briefing Note is to stimulate discussion about the future operation of the Laidley Saleyards. No options articulated in the Briefing Note have been agreed upon, however they are worthy of discussion and consideration. In addition, the attached sensitivity analysis forms the basis of a Business Case and can be amended for different throughput and operating scenarios.

Executive Summary

As has been well documented, the Laidley Saleyards are currently operating in breach of Environmental, Work Health Safety and Animal Welfare obligations. The facility should also be providing a financial return to Council, acknowledging the benefit provided to the community and businesses on sale days. The attached Briefing Note examines options to improve compliance and financial sustainability.

Issue/Content

As noted in the attached Briefing Note, past operational expenditure revealed prohibitive costs such as regulated waste removal that rendered the facility financially unsustainable.

Elimination/minimisation of these prohibitive costs, and other abnormal costs, indicates ongoing operation of the Saleyards may in fact be viable. However, if the site is to remain operable it must comply with Environmental, Work Health Safety and Animal Welfare obligations. This necessitates some redevelopment with a resultant capital expenditure, as discussed at the November meeting. An increase in revenue would be helpful in gaining a faster return on the capital investment.

It is recommended that \$235k of the capital expenditure noted for Year 2 is brought forward to Year 1, making the total expenditure for Year 1 approximately \$753k as opposed to the amount recommended at the November meeting of approximately \$518k. The additional expenditure indicated for Year 1 is intended to increase operability of the facility and make it able to sustain a greater throughput of cattle, both for sales and dipping, and if recommended, the introduction of a more diverse range of livestock offerings such as high-quality equine sales, special bull sales and sheep/small animal sales.

The attached sensitivity analysis indicates that with 20,000 cattle sold per year and 5,000 dipped it is possible to generate approximately \$300,000 in revenue. Noting the key assumptions that underpin the model being:

- 45% of cattle sold through the Laidley saleyards are dipped, and 90% of those cattle are dipped a 2nd time and cleared (2 dips in total and held at the yards for 5 days).
- Calf sales represent 10% of the cattle throughput. Therefore, if you increase cattle by 1,000 head you will also get an additional 100 head of calves.
- Clearing cattle receive 2 dips and are held at the yards for 5 days.

Operating expenditure as illustrated on the attached document was approximately \$147k in the 2022/2023 financial year; \$142k in the 2023/2024 financial year and \$37k year to date during 2024/2025. With the expenditure on removal of regulated waste significantly reduced and acknowledging that an increase in livestock throughput as noted above would increase variable costs, particularly for a contractor or employee to assist in managing the facility, the Business Case at the 20,000 and 5,000 livestock throughput levels is positive.

Outcomes

The outcomes I would like to seek from this meeting are as follows:

1. Advisory Committee members support a recommendation to Council that an allocation is made in the 2025-2026 budget to accommodate the required Year 1 investment in capital improvements at the Saleyards.
2. Advisory Committee members discuss the suggestions made in the attached Briefing Note for increased revenue streams by increasing livestock throughput. Note that a recommendation does not have to be made at this stage; this is for consideration and discussion.
3. Advisory Committee members consider next steps.

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