

Briefing Note

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LVRC Saleyard

1. Case Summary

This brief explores the potential for rejuvenating, expanding and diversifying the operations at Laidley Saleyards to ensure its long-term financial sustainability and relevance to the Lockyer community. It considers increasing the sale throughput, and, options for the addition of small animal sales, return of high quality equine sales and specialist cattle sales (bulls).

Currently, the Council saleyards hosts cattle sales managed by one agent. The yard has previously hosted equine sales. It is co-located with the former Council depot and dog shelter, and a hall. The Saleyard footprint neighbours Council owned lands and opportunity exists to improve land use, conjunctively, and also realise lot changes to the advantage of both the yards and Council.

To meet regulatory requirements the yard site needs to be remediated. To remain viable it is recommended that the site operations are diversified, and, a target throughput of 20,000 head of cattle by sale is considered.

The Laidley saleyards site is relatively small. The market catchment is modest and diverse. The yard is located in a tick zone. It does have a dip that is well recognised. The dip is one of the last remaining dips in South East Queensland, and is adjacent to transport routes traversing the range.

Redevelopment and remediation of the yard can deliver a yard that complies with animal welfare standards. An improved yard together with the need to increase throughput suggests that more sales and increased numbers are needed. Options for achieving this include: (a) operating the yard with more agents and / or (b) sales.

It has been identified that fees and charges can be adjusted (up) to align with market standards. This aids in improving the financial sustainability of the facility.

EnviroAg Australia has previously set out a capital expenditure plan over four years that would allow for orderly redevelopment / remediation of the yard. Year 1 of the base budget only includes absolutely essential capital expenditure to meet regulatory needs. Year 2 includes some spend for regulatory needs and improvements to enhance operations. It is possible to bring forward Year 2 expenditure into Year 1 to expedite improvements for regulation and to accelerate opportunity for the business diversification.

The capital expense involved in the rejuvenation of the site necessitates that revenue from the sales increase to obtain a financial recovery. It is possible to generate over \$300,000 / year by achieving a sales throughput of 20,000 head (cattle) and dipping 5,000 per year. This outcome delivers an ROI of less than five years for the proposed investment.

This model does not include potential revenue from possible inclusions of sheep / small animal, equine and bull sales. To accommodate sheep / small animal sales the yards would require some refitting. Added investment of about \$100,000 may allow the yards / facilities to accommodate such a possibility. This expenditure could be introduced in Stage 2 of the redevelopment works (Year 3).

In conclusion, by diversifying its livestock offerings and revising the fee structure, Laidley Saleyards can:

- Increase throughput;
- Attract a broader customer base;
- Support its redevelopment; and,
- Ensure the yards long-term viability and contribution to the local economy.

2. Introduction/Background

The purpose of this brief is to consider the potential for diversifying the current operating model of Laidley Saleyards. Currently, the Saleyards is operated / managed by one agent. A “Saleyard Sensitivity Analysis” calculation provided by LVRC outlines current sale throughput of 10,000 cattle and dipping of 1,500 per year.

Analysis of operational expenditure revealed (past) prohibitive costs that rendered the Saleyards financially unfeasible (i.e. prescribed waste removal). 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 and WHS regulations. This necessitates some redevelopment with a resultant capital expenditure. An increase in revenue is necessary to support the capital investment.

Council owned land abuts the existing yard. It is assumed that some adjoining land is used to assist with reconfiguring the site. The costs do not include any land transaction costs.

This brief considers different operational models to reach the target throughput of 20,000 head / year. It also considers the potential of the facility hosting a wider variety of livestock sales. Historically, the saleyard has hosted equine and bull sales. The feasibility / operational viability may be improved by reinstating a broader range of livestock sales / operations.

A financially sustainable and operationally efficient saleyard is best achieved by simple increase in the use of the facilities. Calculations show that considering a diversified range of livestock sales it is possible to double revenue. Doubling the revenue would allow a reasonable return on investment for the proposed capital expenditure. Further diversification would improve the resilience of the saleyard operations, function and nett benefit.

If the saleyards operations are broadened and grown then, the following is considered achievable:

- Diverse range of livestock offerings;
- A bigger and wider customer base;
- Improved profitability, and,
- Greater positive contribution to the local economy, and community.

Effective management of cost and minimising prohibitive expenses will further support the long-term success of the Saleyards.

3. Redevelopment Works – Brought Forward

To better facilitate changes at Laidley Saleyards, some Year 2 works from the ‘Priority Works High Level Breakdown’ by EnviroAg Australia, discussed on November 19 2024, could be expedited. That is, they are brought forward to increase operability.

It would allow the Laidley Saleyards to operate in compliance and generate revenue sooner; and better position it (more quickly) to realise a larger throughput/ diversification.

Brought forward works include:

- Dip Drainage Year 2 Works (100% of works brought forward);
- Yard Improvement Year 2 Works (100% of works brought forward);
- Pavilion Year 2 Works (50% of works brought forward);
- Stormwater Year 2 Works (50% of works brought forward); and,
- Heavy Vehicle Year 3 Works (100% of works brought forward).

This totals \$235,000. Advancing works may allow, more sales, more agents and a greater throughput. If a target of 20,000 head is achieved in Year 2 onwards then ROI (return on investment) of less than five years may be obtained.

4. Revenue Streams Considered

4.1 Singular Agent

Currently, the Laidley Saleyards operates the cattle sales with a single agent. This model has proven reliable to date for the saleyard.

The redevelopment, to ensure regulatory requirements are achieved, will require additional revenue from the sales. As such, the current operating model would require additional throughput, and increase in sale numbers, if it is to remain viable.

Cattle sales are currently held fortnightly, on a Thursday. Options to increase the current operational model could be to hold the sales weekly, have (more) special sales, and or attract more stock to the yard. It is important that if this model is to continue then the target throughput is included in all forward management of the facility.

4.2 Multi Agent Model

Some regional saleyards operate with up to eight agents, coordinating sales concurrently, on different days, or alternating weeks. Generally, the size of these saleyards influences the number of agents they can accommodate. Single / sole agent yards are relatively uncommon for publicly owned (Council) facilities.

The Laidley Saleyards site is relatively small. The market catchment is modest and diverse. The yard is located in a tick zone. It does have a dip that is well recognised. The dip is one of the last remaining dips in South East Queensland, and is adjacent to transport routes traversing the range.

Redevelopment and remediation will deliver a yard that generally complies with regulatory requirements (environment, WHS). An improved yard together with the need to increase throughput and revenues drives a need for increased numbers (throughput) / more sales. Options for achieving this include: operating the yard with more agents and / or sales.

Engagement with agents that have experience in a range of livestock sales, such as, equine sales (including trailers, horse floats, saddlery, etc.), special bull sales and sheep / small animal sales is a mechanism to diversify the Laidley Saleyard operations.

4.3 Equine Sales

It is recognised that past equine sales faced challenges due to non-compliance with safety and animal welfare standards. Poor social licence caused unwanted community scrutiny of equine sales. This caused anxiety for the community and Council and reputational damage to all parties.

However, if a high quality equine sale is promoted, with quality controls, together with site redevelopment, equine sales may be a viable addition to the saleyards. A refurbished and presentable pavilion may provide a good platform for high quality equine sales.

Signing with a specialised equine agent would allow LVRC to regulate the facility and ensure equine sales meet regulatory requirements, or in fact prove up a high quality sale operation with significant returns to the market, agent and Council.

Several agencies specialise in operating sales in regional and rural saleyards, including:

- Triangle Horse Sales;
- Andrew Wilson & Co; and,
- KellCo Rural Agency.

Examples of other successful horse sales conducted at facilities similar to Laidley Saleyards include:

- Gympie Horse Sales;
- Caboolture Horse Sales; and,
- Glenn Innes Horse Sales.

These sales are held fortnightly, or quarterly, and are managed entirely by the agent. The agency offers online bidding, pre-sale advertising, and ensures items / animals meet appropriate standards.

The above auctions also offer a range of additional items to enhance the sale's viability and scope, including:

- Horse Floats;
- Trailers; and,
- Saddles and Saddlery.

Laidley Saleyards has the potential to host successful equine sales, provided the right agency manages operations and ensures legislative compliance.

Equine sales could be held quarterly and on a weekend, so not to disrupt scheduling through the week of cattle, or other, sales.

4.4 Special Bull Sales / Featured Sales

The re-introduction of special bull sales to Laidley Saleyards would provide another valuable revenue stream. Special bull sales attract targeted buyers and sellers, boosting the saleyard's reputation and throughput. A redeveloped yard and pavilion made attractive to specialist sales would enhance the reputation and diversification of the facility.

Special high value sales will contribute to the financial sustainability of the facility. With the planned redevelopment, Laidley Saleyards would be better equipped to host these specialised events. This will improve its competitive positioning and will ensure that it continues to meet the needs of the local and regional community.

The following justification is considered:

- **Targeted Market:** Special bull sales generally attract serious buyers looking for specific breeds or high-quality genetics. This could help increase competition and result in higher sale prices.
- **Diversified Revenue:** Feature sales would diversify the revenue streams at the saleyards, making the facility less reliant on general livestock sales. Special events like these could help offset any downturns in other types of sales.
- **Increased Throughput:** By hosting feature sales, Laidley Saleyards can increase its throughput, helping to meet the required 20,000 SCU per annum to support its redevelopment and ensure the facility's long-term viability.
- **Reputation Building:** Hosting successful special bull sales would build Laidley Saleyards' reputation as a leading venue for high-quality livestock transactions, which could attract more regular buyers and sellers in the future.
- **Regional Demand:** With the demand for top-tier breeding bulls in the region and within a tick zone, holding feature sales at Laidley would serve the agricultural community and help meet local needs while creating a competitive marketplace.

To ensure the success of such sales, the following is considered:

- Planning / coordination with agents;
- Sales timing; and,
- Market demand.

The special bull sales could be held monthly / bi-monthly or in conjunction with other major sales events in the area to avoid competition and maximise attendance.

4.5 Sheep / Small Animal Sales

The addition of sheep / small animal sales to Laidley Saleyards is worthy of consideration. By providing a broader range of livestock offering and increasing the overall use and stock throughput opportunity for increased revenues and improved viability is likely.

Sheep / small animal sales require some further investigation. A refit / retrofit would be required or alternately portable / temporary panelling (eg sheep panels). A minimum budget of \$100,000 ought to be contemplated. The investigation of sheep/small animal sales needs to assess if an increase in revenue pays for the added expense. This opportunity option could be introduced in Stage 2 of the redevelopment (Year 3).

Incorporating sheep / small animal sales alongside cattle and equine sales would draw a wider range of buyers and sellers, strengthening the Saleyards' financial sustainability and broadening its use and exposure to the Lockyer community.

Other similar saleyard facilities offering sheep / small animal sales as part of their portfolio include:

- Toowoomba;
- Dalby;
- Ipswich;
- Harrisville;
- Biloela; and,
- Caboolture.

These saleyards help meet the demand for sheep / small animal sales in the region, providing a market for local farmers / buyers. Adding sheep / small animal sales to Laidley Saleyards would complement existing markets and broaden the range of offerings for local and regional livestock transactions.

5. Timing of Sales

Sales should be scheduled strategically to accommodate multiple agents and avoid conflicts with other regional sales events. Sales could be organised on alternating weeks or on specific days that do not overlap with other major sales in the area.

By strategically spacing out the sales, agents have enough time to focus on their respective sales without competition for buyers and sellers.

Additionally, it would be beneficial to collaborate with neighbouring saleyards to align schedules. This reduces the likelihood of congestion in the market. Optimised timing allows the facility to accommodate multiple agents, maximise participation and enhance overall financial performance.

6. Fees and Charges

Fees and charges should be carefully evaluated to maintain competitiveness within the market. Laidley Saleyards currently offers a competitive pricing structure. It is recommended that the fees and charges be adjusted to align with similar facilities. This aids in supporting the financial sustainability of the site.

Table 1 Fees and Charges Suggested Increase

Type	Classification	Current Fee	Proposed Fee
Yard Fees (per head)	Cattle	\$7.50	\$8.50
Yard Fees (per head)	Horses	\$0.00	\$17.00
Yard Fees (per head)	Bulls	\$0.00	\$72.00
Dipping Fees (per head)	Per Animal	\$3.00	\$4.00
Spraying Fee	Per Animal	\$0.00	\$37.00
Disposal of Deceased Animal	Per Animal	\$139.00	> 100kg \$242.00 < 100kg \$65.00
Holding Fees	Cattle	\$0.80	\$1.60
Holding Fees	Sheep / small animal	\$0.00	\$0.50
Horse Sales – Booking Fee to be paid in advance (plus standard yard dues per head)	Per Sale	\$0.00	\$1,075.50
Bull Sales - Booking Fee to be paid in advance (plus standard yard dues per head)	Per Sale	\$730.00	\$950.00

The proposed changes to fees and charges for the saleyard hold significant value. The increase improves the facility's financial sustainability and aligns charges with operational costs.

Here are the key benefits of these changes:

1. **Revenue Generation:** the introduction of fees for horses, bulls, spraying, and sheep / small animal holding, as well as adjustments to existing charges will increase revenue streams. This will help offset rising operational costs and support necessary facility upgrades or expansions;
2. **Cost Recovery:** fees like those for deceased animal disposal and spraying reflect the actual costs associated with providing these services, ensuring that the facility remains financially viable without burdening unrelated users;
3. **Encouraging Efficient Usage:** the introduction and increase of yard and holding fees incentivise efficient use of the facility. This discourages prolonged or excessive use of limited resources, helping maintain operational flow and minimising overcrowding;
4. **Enhanced Services:** additional revenue can be reinvested into improving infrastructure, animal handling processes, and safety measures. This would enhance user experience and support the accommodation of a broader range of livestock, increasing the facility's value to stakeholders; and,
5. **Market Competitiveness:** Introducing charges like booking fees for horse and bull sales could position the saleyard as a professional and organised marketplace, appealing to vendors seeking premium services.

7. Conclusion/Recommendation

In conclusion, Laidley Saleyards has significant potential to expand and diversify its operations. This would enhance its financial sustainability and serve the broader agricultural community.


An increase of the throughput of cattle and diversification of livestock offered allows sufficient revenue to be generated to provide the capital expense required for the rejuvenation of the site.

LVRC has determined it is possible to generate over \$300,000 / year by achieving a sales throughput of 20,000 head (cattle) and dipping 5,000 per year. This outcome delivers an ROI of less than five years.

By incorporating additional livestock sales, such as equine, sheep / small animal, and special bull sales, the facility can increase its throughput and attract a wider range of buyers and sellers.

While the current fee structure is competitive, adjustments to align with similar facilities will be essential to ensure the long-term viability of the saleyards. With the recommended redevelopment and strategic planning, Laidley Saleyards can become a key player in the region's livestock market, benefiting both the local economy and the farming community.

Pulling forward the key elements of the redevelopment project to ensure compliance, safety and animal welfare standards is critical. This will enable LVRC to leverage the redevelopment of the facility to expand the operating model and ensure a sustainable facility for its future.

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