

*In accordance with Section 150EQ of the Local Government Act 2009, Cr Anthony Wilson informed the meeting that he has a Declarable Conflict of Interest in Items 10.2 "Laidley Saleyards Request to Allocate Fund for Capital Expenditure" and 13.2 "Request for Exception for Sole Supplier - Procurement of Specialist Environmental, Engineering and Project Management Services - EnviroAg Australia". The nature of Cr Anthony Wilson's Declarable Conflict in Items 10.2 and 13.2 is that Grantly Burchmann, who is a relative of Cr Anthony Wilson's wife, is a casual labourer at the Laidley Saleyards. Although Cr Anthony Wilson has a Declarable Conflict of Interest, he believes that he can be impartial when dealing with this matter in an open and transparent way, and that he can make a valuable contribution to the discussion. Therefore, Cr Anthony Wilson advised that he wishes to remain in the meeting and requested the eligible Councillors decide if he may participate and vote despite the Declarable Conflict of Interest.*

*In accordance with Section 150ES(3) of the Local Government Act 2009, Councillors T Milligan, C Wilson, J Reck, M Hagan, C Steinhardt and D Neuendorf voted that Councillor Anthony Wilson participate in the discussion and vote in relation to Agenda Items 10.2 "Laidley Saleyards Request to Allocate Fund for Capital Expenditure" and 13.2 "Request for Exception for Sole Supplier - Procurement of Specialist Environmental, Engineering and Project Management Services - EnviroAg Australia", as per resolution 24-28/0246.*

## **10.2 Laidley Saleyards Request to Allocate Fund for Capital Expenditure**

**Author:** Jeff Ticehurst, Chief Financial Officer  
**Responsible Officer:** Dan McPherson, Acting Chief Executive Officer

### **Purpose:**

The purpose of this report is to request Council allocate funds as part of the second 2024/2025 budget review, specifically to undertake capital improvements at the Laidley Saleyards.

### **Officer's Recommendation:**

**THAT Council allocate \$803,457 to undertake capital improvements at the Laidley Saleyards as part of the second 2024/2025 budget review. The capital expenditure will be in accordance with the attached schedule and is being undertaken to improve compliance with Environmental, Work Health Safety and Animal Welfare obligations as well as accelerating options for diversification.**

### **RESOLUTION**

#### **THAT Council:**

- 1. Note the recommendations from the Laidley Saleyards Working Group and recognise the initial contribution of \$803,457 suggested by the Laidley Saleyards Working Group.**
- 2. In order to inform the 2025/2026 budget process, commit to undertake detailed design on critical infrastructure components, being the wastewater system, cattle dip and other further works.**
- 3. Allocate up to less than \$200,000 as part of the second 2024/2025 budget review to undertake the design of identified infrastructure.**
- 4. Write to the Minister Primary Industries, Anthony Perrett, and Local Member, Jim McDonald, to seek assistance for biosecurity obligations pertaining to cattle ticks.**

<b>Moved By:</b>	<b>Cr C Wilson</b>	<b>Seconded By:</b>	<b>Cr D Neuendorf</b>
<b>Resolution Number: 24-28/0252</b>			
<b>CARRIED</b>			
<b>7/0</b>			

### Executive Summary

Council formed the Laidley Saleyards Advisory Committee, also known as the Laidley Saleyards Working Group (LSWG), for the purpose of providing Council with advice on the future operation of the Saleyards, including:

- Reviewing current operations including the disposal of regulated waste.
- Identifying the current risks of operating the facility and how to mitigate those risks.
- Considering long term financial sustainability including community service obligations.
- Considering options for managing the facility in the future including Council ownership, leasing, selling or a hybrid model.

The LSWG have held three meetings to date and after considering all the information presented to the Group, the members are of the opinion that the Saleyards are financially viable and will make a valuable contribution to the local community. The Group now recommends that Council allocate \$1,203,102 over three years (\$803,457 in 24/25, \$271,620 in 25/26 and \$128,025 in 26/27) to undertake capital improvements at the Laidley Saleyards for the purposes noted in the officer's recommendation.

### Proposal

The LSWG has considered options for rejuvenating, expanding and diversifying operations at the Laidley Saleyards. A stepped approach needs to be taken, with the first being to remediate the site to meet regulatory requirements. EnviroAg Australia initially provided the LSWG with a capital expenditure plan over four years that would allow for orderly redevelopment/remediation of the Saleyards. Year one of the plan included essential expenditure to meet regulatory needs with later years including further spend on regulatory needs and improvements to enhance operations. It has been identified that if some expenditure is brought forward into the current year, this will expedite improvements for regulatory needs and accelerate opportunities for diversification.

The attached table indicates the amount of expenditure required over three years, beginning with \$803,457 to be allocated as part of the 2024/2025 budget review, and amounts needed in subsequent years. The table also details what the expenditure will achieve by way of improvements.

The capital expenses required to rejuvenate the site necessitate that revenue from sales increase to obtain a financial recovery. This would be by way of increased cattle sales and dipping, and equine sales. It is noted that past equine sales at Laidley faced challenges due to non-compliance with safety and animal welfare standards. However, if a high quality equine sale is promoted with quality controls and site redevelopment, equine sales may be a viable addition to the Saleyards. At this stage a five-year return on investment can be made by increasing cattle sales to 20,000 head per annum and dipping to 5,000 head per annum, generating revenue of slightly in excess of \$300k per annum. Should equine sales also be included this would further improve the position. Please find attached a sensitivity analysis that illustrates revenue projections for certain numbers of cattle throughput.

Operating expenditure on the Saleyards was approximately \$147k in the 2022/2023 financial year; \$142k in the 2023/2024 financial year and \$78k in the 2024/2025 financial year to date. The 2023 and 2024 financial

years included large amounts of expenditure on removal of regulated waste, (\$46k and \$85k respectively), which can be significantly reduced in future years. Please see the attached table.

In summary, it is recommended that Council allocate \$803,457 as part of the 2024/2025 second budget review to be spent on the Laidley Saleyards in accordance with the attached schedule. This will allow for an increase in livestock throughput, attract a broader customer base, support the Saleyards future redevelopment and ensure the Saleyards long term financial viability and contribution to the local economy.

#### Options

1. Approve the recommendation.
2. Amend the recommendation quantum.
3. Do not approve the recommendation

#### Previous Council Resolutions

The last resolution made by Council with respect to the Laidley Saleyards was 16 October 2024, Res No. 24-28/0166, to set up the LSWG as an Advisory Committee of Council.

#### Critical Dates

Nil

#### **Strategic Implications**

##### Corporate Plan

Lockyer Farming Business and Livelihood – maximise opportunities through engagement and partnership with stakeholders to achieve a strong resilient economy.

##### Finance and Resource

Financial implications are dealt with above.

##### Legislation and Policy

The recommendation is aimed at achieving compliance with Councils regulatory obligations as noted above.

##### Risk Management

R1 – reputation and goodwill.

F1 – financial

##### Consultation

The recommendation is from the Laidley Saleyards Working Group. Full consultation has been undertaken with the Group.

#### **Attachments**

- |   |  |         |
|---|--|---------|
| 1 | 3 year capital expenditure plan        | 1 Page  |
| 2 | Saleyards revenue sensitivity analysis | 3 Pages |
| 3 | Saleyards expenditure report           | 1 Page  |

**Table 1 Work Breakdown Structure (FY 2024 – 2027)**

		FY 24/25	FY 25/26	FY 26/27
Task No.	Task Description	Provisional Estimates* (\$ excl. GST)	Task Description	Provisional Estimates* (\$ excl. GST)
1.0	Project Manager	16,258	Project Manager	11,595
2.0	Field work: Initial Site Works Survey; Cadastral; Data Analysis;	70,650		Project Manager 13,050
3.0	Perimeter Fence Part A	20,000	Perimeter Fence – Part B	20,000
4.0	Site Earthworks – Minor – Part A	30,000	Site Earthworks – Minor – Part B	25,000
5.0	Wastewater Holding Pond and reuse systems – Part A	324,600	Wastewater Holding Pond and reuse systems – Part B	65,300
6.0	Dip Drainage Pens – Part A	54,450	Dip Drainage Pens – Part B	27,225
7.0	Pavilion – Part A	75,500	Pavilion – Part B	55,000
8.0	Stormwater – Part A	23,750	Stormwater – Part B	23,750
9.0	Yard Improvement – Part A	107,500	Yard Improvement – Part B	43,750
10.0	Heavy Vehicle Parking	58,135		Yard Improvement – Part C 43,750
11.0	Light Vehicle Parking	3,500		
12.0	Signage	15,000		
13.0	Emergency Evacuation Mgt Sys	4,114		
TOTAL		\$803,457	\$271,620	\$128,025
PROJECT TOTAL				\$1,203,102

**Note:**  
This quote includes some provisional estimates for supply from specialist sub-contractors / suppliers. The provisional estimate is an estimated cost based on experience from past projects and supply.

Register of fees and charges		
Primary Driver		
Annual saleyard permit (renewal)	\$ (inc GST) No. Agents	1,200 1
	\$ per year (inc GST)	1,200
Agents fees	\$ per sale (inc GST) No. sales per year	788 28
	\$ per year (inc GST)	20,488
New agent application fee (one-off)	\$ (inc GST) No. Agents	3,131
	\$ per year (inc GST)	-
Registered stud sale access fee	\$ (inc GST) No. sales per year	730
	\$ per year (inc GST)	-
Yard fees cattle	\$ per head (inc GST) No. Head per year	7.50 10,000
	\$ per year (inc GST)	75,000
Yard fees calves	\$ per head (inc GST) % cattle No. No. Head per year	4.50 10% 1,000
	\$ per year (inc GST)	4,500
Infrastructure levy	\$ per head (inc GST) No. Head per year	0.50 11,000
	\$ per year (inc GST)	5,500
Saleyard cattle cleared via dip	% saleyard throughput, 1 dip No. Head per year dipped % 2nd dip No. Head per year dipped	45% 4,950 90% 4,455
Outside clearing cattle	No. Head per year No. dips per head No. Head per year dipped	1,500 2 3,000
Dipping fees (Minimum charge \$231)	\$ per head (inc GST) No. Head per year	3.00 12,405
	\$ per year (inc GST)	37,215
Holding fees	\$ per head per day (inc GST) Average days held No. Head per year	0.80 5 5,955

	\$ per year (Inc GST)	23,820
Opening and closing of saleyards (Weekends or public holidays)	\$ (Inc GST) No. times per year \$ per year (Inc GST)	344
Disposal of deceased animal	\$ (Inc GST) No. Head per year \$ per year (Inc GST)	139
Sale of animal waste (per box trailer or ute load)	\$ (Inc GST) No. per year \$ per year (Inc GST)	12
TOTAL REVENUE	\$ per year (Inc GST) \$ per year ex GST	167,723 152,475
No Cattle (yard fees) per year		
	\$ per year Ex GST	
	1,0001,5002,0003,0004,0005,0006,0007,0008,0009,00010,00011,00012,00013,00014,00015,00016,00017,00018,00019,00020,000	
8,000	124,105128,651133,196142,287151,378160,469169,560178,651187,742196,833205,924215,015224,105	
9,000	136,018140,563145,109154,200163,290172,381181,472190,563199,654208,745217,836226,927236,018	
10,000	147,930152,475157,021166,112175,203184,294193,385202,475211,566220,657229,748238,839247,930	
11,000	159,842164,388168,933178,024187,115196,206205,297214,388223,479232,570241,660250,751259,842	
12,000	171,755176,300180,845189,936199,027208,118217,209226,300235,391244,482253,573262,664271,755	
13,000	183,667188,212192,758201,849210,940220,030229,121238,212247,303256,394265,485274,576283,667	
14,000	195,579200,125204,670213,761222,852231,943241,034250,125259,216268,306277,397286,488295,579	
15,000	207,491212,037216,582225,673234,764243,855252,946262,037271,128280,219289,310298,400307,491	
16,000	219,404223,949228,495237,585246,676255,767264,858273,949283,040292,131301,222310,313319,404	
17,000	231,316235,861240,407249,498258,589267,680276,770285,861294,952304,043313,134322,225331,316	
18,000	243,228247,774252,319261,410270,501279,592288,683297,774306,865315,955325,046334,137343,228	
19,000	255,140259,686264,231273,322282,413291,504300,595309,686318,777327,868336,959346,050355,140	
20,000	267,053271,598276,144285,235294,325303,416312,507321,598330,689339,780348,871357,962367,053	
Pooled Calves	11,9129,09111,9113,1010,00	

	Yard fees	Infrastruct ure levy	Dip fee	5 days holding	Total	Ex GST	Weighting	
<b>Cattle</b>								
Nil Dip	7.50	0.50			8.00	7.27	55%	4.00
Single dip	7.50	0.50	3.00		11.00	10.00	5%	0.45
Two dips cleared	7.50	0.50	6.00	4.00	18.00	16.36	41%	6.63
<b>Calves</b>							100%	11.08
Nil Dip	4.50	0.50			5.00	4.55	6%	0.25
Single dip	4.50	0.50	3.00		8.00	7.27	0%	0.03
Two dips cleared	4.50	0.50	6.00	4.00	15.00	13.64	4%	0.55
							10%	0.84
Outside clearing cattle			6.00	4.00	10.00	9.09	110%	11.91

LAIDLEY SALEYARD OPERATING EXPENDITURE				
Account Number	Natural Account Description	2022/23	2023/24	YTD 2024/25
100362-1001-60001	Salary & Wages	9,062	4,776	4,323
100362-1001-60002	Overtime		672	293
100362-1001-60008	Salary Allowance	46	99	112
100362-1001-60103	Allowance Tfr	195	34	
100362-1001-60109	Salary Oncost Exp Control	4,078	2,149	1,946
100362-1001-61004	Mats Consumable	170		
100362-1001-61010	Mats Chemicals	2,136	2,565	2,977
100362-1001-61016	Mats Concrete	298		
100362-1001-61030	Mats Gravel	561		
100362-1001-61033	Mats Other	2,187		109
100362-1001-61035	Mats Safety Equipment	50		
100362-1001-61038	Mats Plumbing	206	914	697
100362-1001-61039	Mats Building	871	606	49
100362-1001-61042	Mats Other Parts			103
100362-1001-61048	Mats Softfall			47
100362-1001-61050	Mats Landscaping		2,578	
100362-1001-61126	Contracts - Waste Services	29		
100362-1001-61129	Contracts - Other	5,066		
100362-1001-61136	Contracts - Plant Hire & cartage	13,019	2,545	
100362-1001-61152	Contracts - Trade Services		650	
100362-1001-63040	Electricity and Gas Costs	1,782	2,602	1,993
100362-1001-63042	Utilities			661
100362-1001-63130	Contractors	46,436	84,607	20,970
100362-1001-63300	Consultants - O	13,961		24,481
100362-1001-63301	Consultants - P	12,240		
100362-1001-63428	General Exp	72		
100362-1001-63404	License Fees	149		
100362-1001-63410	Fees & Permits	55		
100362-1001-63416	Freight		300	
100362-1001-63418	Advertising			117
100362-1001-63428	General Exp		3,636	
100362-1001-68018	Plant Hire Charges	5,803	2,161	2,083
	<b>TOTAL</b>	<b>118,473</b>	<b>110,895</b>	<b>60,960</b>
	<b>Depreciation</b>	<b>28,222</b>	<b>30,676</b>	<b>17,200</b>
	<b>TOTAL EXPENDITURE</b>	<b>146,695</b>	<b>141,572</b>	<b>78,160</b>