



Naracoorte Lucindale Council  
*Better by Nature*

Naracoorte Regional Livestock  
Exchange Annual Report  
2013-2014





## Vision

*Naracoorte Regional Livestock Exchange will be the premier livestock selling centre for South Australia and Victoria. We will work collaboratively with stakeholders to be the industry leader in livestock handling and selling in safe modern facilities. We will have a minimal impact on the environment while deriving financial benefits for the community, stakeholders and Council.*



The Naracoorte Regional Livestock Exchange  
Board 2013/14.



Cr Toby Robinson Chair (left)  
Cr Ken Banning (right)  
Mr Robin Gericke (below left)  
Mr Ian O'Loan (below right)  
Dr Helen Macdonald CEO (non voting)  
Mr Steve Bourne Director Operations and  
Technical Services (non voting)  
Ms Megan Mercer Executive Officer (non  
voting)



The Naracoorte Regional Livestock Exchange Board is pleased to present its second annual report, covering the 2013/14 financial year. It has been another year of substantial change with the completion of the new weighbridge and lead up yards, and commencement of the cattle loading ramps project. Many challenges still face us as we strive to provide a safe working environment, meet animal welfare and environmental requirements while at the same time operate a sustainable business on behalf of the industry and community. We present this report as a permanent record of the year, trust that you find it informative and we welcome feedback to assist us in achieving our vision.

## Executive Summary

The 2013/14 period saw 97,316 cattle yarded up from 90,381 yarded in 2012/13. Sheep numbers declined slightly from 417,969 to 411,461.

The blue ribbon first cross ewe sales were the highlight for the year with a very high standard of sheep and lambs being yarded. The highest price for one and a half year old ewes was \$236 with an overall average of \$179. The top price for ewe lambs was \$199 with an overall average of \$148.

The Naracoorte Combined Agents sold \$63,350,059 worth of cattle and \$42,889,155 worth of sheep and lambs for a grand total of \$106,239,214 on behalf of primary producers through the Naracoorte Regional Livestock Exchange. This was an increase of \$14,833,084 on the previous year.

The upgraded facilities with the roof over the cattle pens with soft flooring, the waste water treatment plant and the new weighbridge continue to offer a superior level of service to vendors, buyers and staff. Operational efficiency improved at the weighbridge as operators became accustomed to working separate from cattle using remote controls to operate gates.

European Union and National Saleyard Quality Assurance accreditations were maintained after audits were conducted by AUS/QUAL Pty Ltd.

The implementation of the loading ramps project was delayed and was not completed in 2013/14. This \$486,000 project will be delivered by September 2014, supported by a grant of \$225,000 from the Australian Government's Heavy Vehicle Safety Productivity Program.

A high level of animal welfare was maintained over the year, with one sale cancelled due to extreme heat. This is the first occasion that a sale has been called off for heat, and was quickly noted by Animal Welfare agencies who applauded the actions of the Combined Agents.

The Naracoorte Regional Livestock Exchange recorded one incident involving staff and one with a contract drover who suffered minor injuries after being hit by a gate whilst droving cattle.

Regular meetings were held to provide the Naracoorte Combined Agents with information on operational issues and the opportunity to feed into strategic planning. No major issues or concerns exist with open dialogue between all parties and a cooperative working relationship.





## Introduction

It is the Council's vision that the NRLE remain the premier livestock selling centre in the South East region, and establish itself as a leader in the Australian livestock selling industry. The Naracoorte Lucindale community derives significant direct economic benefit from the NRLE; local growers with a facility close to their operations, transport operators who move stock and purchase fuel, locals employed at the facility, agents who use the yards and the businesses in Naracoorte who support the NRLE operations and its users. There are also substantive indirect benefits that flow onto the community through increased business transactions and services that are required to service the families that live in the district because of the sale yards and the additional activity that takes place when people outside of the district attend NRLE sales.

Council has recognised the need for the NRLE to operate as a commercial business and operate independent of financial support from Council rate revenue. To achieve this, the Naracoorte Regional Livestock Exchange Board (the Board) was established in 2012 to oversee the development, construction and general operations, and monitor the financial performance of the Naracoorte Regional Livestock Exchange. This is the second report prepared by the Board, fulfilling its objectives under the Terms of Reference established by Naracoorte Lucindale Council and their key role in meeting the objectives of the Naracoorte Regional Livestock Exchange Strategic Management Plan 2012-2022.

### Naracoorte Lucindale Council Strategic Plan

#### *Prosperous Community*

- Facilitating and supporting sustainable growth to achieve economic prosperity
- A vibrant and progressive business centre

#### *Healthy Landscapes*

- Working together to protect and enhance our natural environment for the future
- Water resources and ecosystems are protected and restored

#### *Progressive Leadership*

- A well led and managed district supported by an ethical approach to managing infrastructure through the delivery of projects and services to the community
- Effective delivery of projects and services

### NRLE Objectives

- Contribute to the economic prosperity of the Naracoorte Lucindale Council district and Limestone Coast region
- Provide a continuing business opportunity for stakeholders
- Manage risks in collaboration with stakeholders
- Manage the NRLE business to ensure its long term viability
- Minimise impacts of NRLE activities on the environment
- Meet and exceed animal welfare standards
- Provide a safe working environment for all staff, agents and contractors

## Assets

The capital project planned for 2013/14 was the construction of new loading ramps and lead up yards. This was not completed due to a delay in receiving the funding agreement with Federal Government elections and confirmation that funding was still available, and difficulties in finalising designs for the project. Key to achieving Council's desired outcomes is the design of lead up yards, identified by the Australian Livestock and Rural Transport Association (ALRTA) as an area of safety concern for their members. Many revisions of plans were received from two tenderers before Kattle Gear was selected as the contractor for the project.

The Board received a request from the Naracoorte Combined Agents to replace the cattle crush, which was posing safety concerns for users. A new crush was selected in consultation with the users and will be installed in August 2014.

Upgrades were made to the D holding yards with the concreting of the raceways and installation of lights. Some preliminary drawings for the potential upgrade of the canteen ablution facilities were completed.



## Financial - Profit and Loss as at 30 June 2013

### Preventative maintenance and breakdown costs

Maintaining the cattle pens continues to be the largest maintenance cost for the NRLE, with breakages increasing as the yards age. Despite this, the staff continue to provide a high level of service with the yard condition having negligible impact on sales. Design of new yards and planning for what is likely to be a staged implementation will occur in 2014/15.

Operation of the waste water treatment plant improved as operators understanding improved and the system settled. Some minor issues occurred with a blocked pump which required the installation of a flushing system, with sand still an issue collecting in tanks requiring regular pumping.





	<b>2009-2010</b>	<b>2010-2011</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-14</b>
<b>Administration</b>	34,408	38,604	45,150	55,510	53,301
<b>Advertising</b>	1,518	1,897	2,245	2,661	1,740
<b>Annual Audits</b>	1,252	1,256	1,313	1,508	1,496
<b>Board expenses</b>					1,977
<b>Business Plan/Project Management</b>		63,514	67,417	36,838	12,897
<b>Cleaning &amp; Gardening</b>	24,361	18,210	21,998	28,048	17,228
<b>Consumables</b>		4,642	4,610	4,235	3716
<b>Clerking of the Market</b>	14,655	16,630	18,072	17,466	21,327
<b>Consultants Fee/Legal Fees</b>	15,385	13,898	2,698	190	
<b>Council Rates</b>	11,113	11,810	12,710	14,506	25,865
<b>Depreciation Buildings &amp; Infrastructure</b>	117,950	130,916	131,403	236,876	259,835
<b>Depreciation Plant &amp; Furniture</b>	25,393	17,588	23,453	25,904	25,726
<b>Doubtful Debt Provision</b>		181,311			
<b>Electricity</b>	25,663	34,996	37,848	47,502	76,135
<b>EPA Monitoring</b>	4,189	3,683	4,914	4,259	7,163
<b>EPA Investigation</b>	1,134				
<b>FBT Liability</b>		5,392	5,832	10,323	11,479
<b>Furniture &amp; Office Equip Mtce</b>	420	942	1,061	686	838
<b>Income Protection Insurance</b>	5,495	5,555	5,535	5,340	5,745
<b>Insurance</b>	3,124	3,303	3,633	15,728	23,389
<b>IT Consumables</b>	1,355	2,366	1,139	603	3,558
<b>IT Recovery</b>				3,000	3,000
<b>Land &amp; Buildings Maintenance</b>	62,602	36,528	32,059	34,944	35,865
<b>L&amp;B Mtce - Effluent Dams</b>	170	7,064	42,784	6,640	8,024
<b>L&amp;B Mtce - Stock Pit</b>	9,470	10,547	12,255	9,404	10,496
<b>L&amp;B Mtce Water Reuse Plant</b>					6,723
<b>L&amp;B Mtce - Truckwash</b>	9,267	12,411	26,247	25,794	19,247
<b>L&amp;B Mtce - Weighbridge</b>	10,740	3,969	8,689	5,119	8,644
<b>L&amp;B Mtce - Yards</b>	90,218	91,471	100,675	133,137	121,775



	<b>2009-2010</b>	<b>2010-2011</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-14</b>
<b>Licences - EPA &amp; Safework</b>	6,721	6,941	7,160	7,318	7,535
<b>Liveweight Wages</b>	79,019	91,697	65,298	19,317	21,753
<b>Loan Repayment - Cash Advance Interest</b>				22,301	4,514
<b>Loan Repayment - Interest</b>	34,264	32,138	40,033	28,216	26,044
<b>Loan Interest (New)</b>				82,854	101,020
<b>LSL Liability</b>	9,929	12,075	3,463	18,483	11,076
<b>Market Reporting Costs</b>	6,890	1,130			
<b>Motor Vehicle Expenses</b>	7,601	7,125	6,299	6,788	8,580
<b>Other Expenses</b>	169	2,103	685	2,599	1,479
<b>Paddock Costs</b>	654	341	458	1,207	621
<b>Plant &amp; Equipment Maintenance</b>	5,759	11,537	8,961	9,956	17,057
<b>Printing &amp; Stationery</b>	424	2,046	1,554	3,202	1,338
<b>Protective Clothing/Uniform</b>	4,954	4,252	5,155	4,560	5,060
<b>Refuse Collection</b>	4,145	4,207	4,249	4,107	4,868
<b>Salaries</b>	118,637	128,723	111,468	115,563	126,984
<b>Soft Flooring</b>	13,045	24,905	18,591	29,555	30,870
<b>Scanning Charges</b>	17,790	14,104	18,272	13,827	18,443
<b>Subscriptions</b>	15,465	15,714	14,977	9,155	9,210
<b>Superannuation</b>	41,741	38,367	35,913	34,003	35,213
<b>Telephone/ADSL</b>	7,145	7,130	5,303	7,527	6,162
<b>Training Costs</b>	11,473	14,078	10,255	5,863	12,182
<b>Truck Wash (Avdata) Costs</b>	9,731	10,911	10,065	5,083	14,935
<b>Workers Comp</b>	20,603	19,923	19,658	18,617	20,478
<b>Water Licence</b>	93	106	732	118	118
<b>Yard Washing</b>	80,315	70,961	68,656	57,437	50,776
<b>TOTAL EXPENDITURE</b>	<b>966,449</b>	<b>1,239,017</b>	<b>1,070,945</b>	<b>1,233,877</b>	<b>1,303,505</b>





	2009-2010	2010-2011	2011-2012	2012-2013	2013-14
<b>Disposal of Dead Stock</b>	-6,300	-7,362	-11,039	-22,746	-11,970
<b>Canteen Lease</b>				-6,242	-6,630
<b>Fees</b>	-760,518	-893,955	-1,175,004	-1,043,097	-1,126,332
<b>Fees - EU Cattle</b>	-11,069	-21,438	-22,628	-21,345	-26,167
<b>Fees - Store Cattle</b>	-42,394	-89,088	-64,982	-64,992	-72,819
<b>Grant Income</b>	-11,747	-50,000			
<b>Interest Income</b>		-21,009	-14,169	-4,954	-433
<b>Licence Fees (Agents)</b>				-6,000	-7,311
<b>Recoveries</b>	-4,000	-5,500			
<b>Agistment - Land</b>	-3,161	-8,505	-3,931		-5,080
<b>NLIS Tags</b>	-13,198	-15,659	-22,353	-14,786	-17,007
<b>Other Income</b>	-10,804	-19,274	-71,739	-2,892	-47,356
<b>Phylloxera Shed</b>					
<b>Paddock Charges</b>	-7,271	-8,272	-11,465	-27,714	-28,186
<b>Truckwash Fees</b>	-94,118	-108,247	-99,367	-54,700	-146,698
<b>TOTAL INCOME</b>	-964,580	-1,248,309	-1,496,677	-1,269,468	
<b>OPERATING PROFIT/(LOSS)</b>	-1,869	9,292	425,732	35,591	192,484
<b>ADJUSTED FOR DEPRECIATION</b>	141,474	157,796	580,588	298,371	478,045



	2009-2010	2010-2011	2011-2012	2012-2013	2013-14
<b>Disposal of Asset</b>	-29,000		-11,364		
<b>Sale of Plant</b>					-10,000
<b>Loan Income</b>			-2,000,000		
<b>Loan Income - Internal (Repay to Council)</b>					
<b>Grant Income</b>			-1,800,000	-200,000	
<b>Loan Repayment - Principal</b>	24,665	26,410	28,277	30,276	32,417
<b>Loan Repayment - Council</b>	17,280	17,280	17,280	17,280	17,280
<b>Loan Repayment - Principle (floating)</b>				44,477	92,520
<b>Capital Expenditure</b>	142,634	34,215	54,725	8,250	
<b>Infra Addition Shed</b>			2,920,451	194,529	
<b>Infra F&amp;E</b>					6,142
<b>Infra Minor Plant</b>					4,923
<b>Infra Loading ramps upgrade</b>					30,206
<b>Infra Addition Water Reuse Project</b>			1,490,009	166,211	13,890
<b>Infra Addition Weighbridge</b>				595,375	161,577
<b>Infra addition D Yards</b>					5,548
<b>TRANSFER TO RESERVE</b>	-14,105	79,891	-118,790	-558,027	123,542
<b>NRLE RESERVE</b>	501,793	581,684	462,894	-95,133	28,409



**FEE SCHEDULE 2013/2014 (GST Inclusive)**

OFFICE RENTAL (Agents) per annum as per lease  
 LICENCE TO USE FACILITIES (Agents) per annum as per lease  
 PHONE RENTAL (Agents) at cost)

CANTEEN RENTAL per week as per lease

**FEES**

CATTLE1	per head	\$ 9.46
CALVES1	per head	\$ 3.94
SHEEP1	per head	\$ 0.81
EU CATTLE (additional charge per head)	per head	\$ 2.45
PADDOCK CHARGES – CATTLE	per head	\$ 2.35
PADDOCK CHARGES – SHEEP	per head	\$ 0.25
OUTCARD – SHEEP (TUESDAY)	per market	\$ 165.00
OUTCARD – SHEEP (FRIDAY)	per market	\$ 125.00
SCANNING – STORE CATTLE	per head	\$ 2.05
NLIS TAG	per head	\$ 31.00
NLIS TAG – BULL	per head	\$ 62.00
NLIS Levy (GST Exempt)	per head	\$ 0.50
DEAD STOCK DISPOSAL		
CATTLE	per head	\$ 116.00
SHEEP	per head	\$ 12.00
CALL OUT (additional to disposal fee)	per head	\$ 150.00
CATTLE – Humane Reasons/Not Fit for Sale	per head	\$ 285.00
SHEEP – Humane Reasons/Not Fit for Sale	per head	\$ 58.00
TRUCKWASH		
KEY DEPOSIT	per key	\$ 33.00
USE	per minute	\$ 0.65
USE (CASUAL)	per minute	\$ 0.95

1 Charges are based on the agents paying one third of the applicable fee and producers paying two thirds of the applicable fee.



## Operations

### Management

The Naracoorte Regional Livestock Exchange Board was formed in July 2012. Its membership comprised;

Cr Toby Robinson Chair  
Cr Ken Banning  
Mr Robin Gericke  
Mr Ian O'Loan  
Dr Helen Macdonald CEO (non voting)  
Mr Steve Bourne Director Operations and Technical Services (non voting)  
Ms Megan Mercer Executive Officer (non voting)

### Staff Permanent

Richard James Manager  
Jeff Jarred Assistant Manager  
Mike Braun  
Corey Zeuner

### Staff Casual

Jonathon Bittner  
Michael McPhail  
Craig Richards  
John Burnley  
Viv Johns – resigned in 2013.

### Naracoorte Combined Agents

Chair Richard Jennings - Landmark

The 2013 / 2014 period saw 97,316 cattle yarded. The largest yarding for one day was 3,583 weaner steers sold in December. Weaner sales were held over two days with steers sold on Thursdays and heifers sold on Fridays. This practice removed the overcrowding issues, improved presentation and allowed transport operators more time to prepare loads. The ten year average for cattle throughput is 100,214.

Average prices for the two major sales (12 December and 9 January) were \$619 and \$639 per head respectively, up from \$588 and \$605 compared to the same sales the previous year. Heifer prices in the December weaner sale were down on the previous year due to other sales being held on the same day. The January heifer sale saw an improvement with an average of \$493.

The higher numbers and overall average prices received is reflected in the gross value of \$63,350,059 for cattle sold during the 2013/14 year, up from \$58,238,640 in 2012/13.

While sheep numbers in Australia are still on the build-up stage, the throughput was down on the ten year average (567,000) at 411,461. The largest market was the first cross ewe lamb sale where 28,497 were yarded and sold.

The blue ribbon first cross ewe and first cross ewe lamb sales were again very well supported with a massive gallery of both buyers and sellers. Over the two days there were a total of 50,054 yarded and sold. Deepwater Trust a/c the Ireland family achieved the highest price of \$236 for a pen of 209 one and a half year old first cross ewes. The top price paid for ewe lambs was \$199 for a pen of 231 a/c the Pocock family. The average price for the ewes was \$179 while lambs averaged \$148. The total revenue was \$8,076,124 for the two sales. The combined agents cooperated well and presented the livestock to a very high standard, there were no animal welfare issues.

The total value of sheep and lambs sold for 2013/14 was \$42,889,155.

The Naracoorte Combined Agents sold \$63,350,059 worth of cattle and \$42,889,155 worth of sheep and lambs for a grand total of \$106,239,214 on behalf of primary producers through the Naracoorte Regional Livestock Exchange. This was an increase in total value of \$14,833,084 on the previous year.



The new roof and soft flooring continues to be a success with favourable comments from all user groups. Of note is the favourable report received from Animals Angels who applauded the Combined Agents for postponing a sale when the temperatures were forecast to exceed 40°C.

Open dialogue continued through regular meetings with the Naracoorte Combined Agents. A number of recommendations such as rubbish bins for waste management, improving traction at sheep loading ramps and improvements to internal systems regarding NVDs were addressed immediately improving NRLE operations.

### Analysis against budget

Stock throughput for 2013/14 was consistent with forecasts, with a 6.5% increase in cattle numbers and 1.5% decline in sheep and lamb numbers. This achieved the budget forecast and confirms the need for a conservative approach when forecasting stock numbers. The key factors affecting throughput were;

- Marketing trends has seen an increase in paddock selling. This was evident prior to Christmas when direct selling prices were better than yards prices, and the increase in yard numbers when this trend reversed early in 2014.
- Sheep numbers are still low in Australia and building up
- High prices previous years may have contributed to a selling down of cattle numbers
- Long term forecast

The increase in cattle numbers and almost maintaining sheep and lamb numbers indicates a positive outlook.

This season is looking great with good early rains allowing clover germination to be the best for many years. Lambing percentages have been high with minimal lamb deaths due to miss mothering

and the lack of feed as in previous years. Producers have been able to take time out from the expense of feeding out both grain and hay.

It is anticipated that there will be an increase in prime lamb numbers through the NRLE this year. There may also be an opportunity to hold a store lamb sale if grass seeds look like becoming an issue in the northern areas.

Interstate stock must travel with health statements as per state regulations.

### Promotion and Marketing

The projects generated a significant amount of free media, with articles appearing in all major rural papers. A small number of paid placements were made in conjunction with the Naracoorte Combined Agents. This approach to joint marketing between the owner and users of the facility is the most beneficial. The Board has taken the approach that providing the best possible facility that attracts buyers and vendors alike is more effective than paid advertising, although some targeted spending around major special sales proved beneficial.

### Compliance

*Environmental Protection Authority (EPA) licence conditions for the disposal of waste water.*

Council holds licence no. 2342 for the saleyards and composting works at the NRLE. An annual report was completed for the EPA and several site inspections have been taken by EPA staff. The EPA has reissued Council's licence with revised conditions, requiring the development and implementation of a waste water irrigation management plan. A full environmental management plan is being written to address this requirement, and ensure environmental standards are met and exceeded.

*Department of Health conditions for the reuse of treated waste water.*



Currently, treated water is only used for irrigation purposes while the treatment plant is brought to maximum efficiency. Testing has shown improvements are required before this will be achieved. These relate to managing the level of water within the ponds to achieve multiple treatments of water prior to reuse.

*Department for Environment Water and Natural Resources licence conditions regarding the extraction of water from the aquifer.*

Council holds water licence number 8650 allowing for the extraction of 80ML per annum. Water use reduced from 52ML in 2011/12 to 38 ML in 2012/13 to 30 ML in 2013/14. These reductions were achieved as more rainwater was captured for reuse.

A 5.2 Ha section of land adjacent to the north of the NRLE was fenced as a Significant Environmental Benefit (SEB) for Council. This will be revegetated with native vegetation.

The NRLE was assessed under the National Livestock Quality Assurance (NSQA) scheme and remains fully accredited. One non-conformance was reported relating to the requirement that all cattle and sheep vendor declarations should be loaded into the computer system and an Extended Residue Program (ERP) check and Livestock Production Assurance Program (LPA) status being conducted prior to sale.

The NRLE was assessed under the European Union (EU) guidelines for the sale of EU cattle. During the annual audit conducted in December 2013 it was noted that a sale file was not sent to the data base on the day of the sale as is generally the case. On this occasion the file was held back to allow agents to include the correct property identification code (pic) to be allocated, as quite often the pic is not known until the cattle are placed. The Auditor is now looking into the possibility of allowing extra time for larger store cattle sales.

Draft Animal Welfare Standards and Guidelines for Saleyards were prepared by the Livestock

Saleyards Association of Victoria. These draft guidelines were subsequently endorsed by South Australian agencies and are likely to become the national standard. The NRLE facilities and operational procedures currently meet or exceed the standards defined in these guidelines.

A new version of the Agents Code of Practice has been distributed to the individual agents to ensure they comply with the requirements. All agents have signed off and returned a copy for the EU file. An updated version of the NRLE European Union Cattle Accreditation Scheme manual has been sent for desk audit. This is to reflect current practices.

## OHS and Risk Management

### Planning

Council hosted a workshop in October 2013, facilitated by James Large of People Vision who assisted Council with developing its WHS Plans. This workshop resulted in a clear delineation of responsibilities for each user group.

### Incidents

The NRLE recorded one incident involving a staff member for 2013/14. One incident occurred with a contract drover who was hit by a gate whilst driving cattle. This was reported to and investigated by Safework SA, which noted the work that had been undertaken by Council and NRLE users in developing a Work Health and Safety Plan. No further action was required by any party through the investigation.

### Issues

Electricity lines across the truck rest area were identified as a hazard and the area cordoned off. The area around the dead stock pit has been routinely grazed for many years but regulations now require that stock cannot come into contact with this area if they are to be sold for human consumption. This area will be fenced to enable management of vegetation.



## The Year Ahead

The 2014/15 year will be a year of further consolidation. The loading ramps project will be completed and future capital upgrades will be costed and a schedule prepared. The highest priorities are the cattle selling pens and the canteen/office/ablutions facility.

The maintenance program and operational procedures need to be captured while long term experienced staff are still in place.

The development of the sheep NLIS system will be carefully monitored and if the opportunity arises, the NRLE will participate in field trials. This does not imply support for the system, but acknowledges it will be implemented in the future and the NRLE needs to be prepared to operate with the system.

