



Naracoorte Lucindale Council
Better by Nature

Naracoorte Regional Livestock
Exchange Annual Report 2015-16





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 2015/16.

Cr Toby Robinson Chair (left)
Cr Scott McLachlan (right)
Mr Robin Gericke (below left)
Mr Ian O'Loan (below right)
Dr Helen Macdonald CEO (non voting)
Mr Steve Bourne Director Operations (non voting)



The Naracoorte Regional Livestock Exchange Board is pleased to present its fourth annual report, covering the 2015/16 financial year. It has been another year of improvement to infrastructure and service with the completion of three cattle loading ramps. 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 2015/16 financial year saw 92,523 cattle yarded. This was 8,135 less than the ten year average of 100,658 and a decrease of over 18,000 on the throughput of 110,744 in 2014/15. Sheep numbers were also down to a final annual throughput of 327,411.

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 1 ½ year old ewes was \$286 with an overall average of \$214. The top price for ewe lambs was \$230 with an overall average of \$158.65. There were 55,088 yarded over the two days.

The Naracoorte Combined Agents sold \$106,751,368 worth of cattle and \$35,622,227 worth of sheep and lambs for a grand total of \$142,373,595 on behalf of primary producers, through the Naracoorte Regional Livestock Exchange (NRLE). This was an increase of \$14,789,162 on the 2014/15 financial year.

European Union and National Saleyard Quality Assurance accreditations were maintained. A high level of animal welfare was maintained over the year. The NRLE maintained its excellent safety record with no injuries recorded for this year.



Weaner cattle sale December 2015



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 there, 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 fourth 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

No major capital project works were undertaken in 2015/16, with the focus on planning for an upgrade of cattle selling facilities, and refurbishment of the ablution facilities in the canteen.

A grant application for the upgrade of cattle selling facilities was prepared for Australian Government Funding and was unfortunately unsuccessful. A second application has been prepared for the next round of funding.



November First Cross sale

Financial - Profit and Loss as at 30 June 2016

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 was completed in 2015/16.

Operation of the waste water treatment plant costs were very high this year with the breakdown of two aerators. This cost was partially offset with an insurance claim approved.



November First Cross sale



	2011-2012	2012-2013	2013-14	2014-15	2015-16
Administration	45,150	55,510	53,301	55,754	59,381
Advertising	2,245	2,661	1,740	2,131	5,614
Annual Audits	1,313	1,508	1,496	1,622	1,386
Board expenses			1,977	1,758	2,652
Business Plan/Project Management	67,417	36,838	12,897	12,069	
Cleaning & Gardening	21,998	28,048	17,228	15,004	12,963
Consumables	4,610	4,235	3716	3,768	4,347
Clerking of the Market	18,072	17,466	21,327	0	
Consultants Fee/Legal Fees	2,698	190		0	
Council Rates	12,710	14,506	25,865	27,071	27,614
Depreciation Buildings & Infrastructure	131,403	236,876	259,835	367,960	367,960
Depreciation Plant & Furniture	23,453	25,904	25,726	22,469	27,774
Doubtful Debt Provision					
Electricity	37,848	47,502	76,135	89,960	56,287
EPA Monitoring	4,914	4,259	7,163	3,205	4,443
EPA Investigation					
FBT Liability	5,832	10,323	11,479	16,628	10,452
Furniture & Office Equip Mtce	1,061	686	838	769	
Income Protection Insurance	5,535	5,340	5,745	6,415	6,507
Insurance	3,633	15,728	23,389	25,330	23,860
IT Consumables	1,139	603	3,558	1,939	6,600
IT Recovery		3,000	3,000	3,000	3,000
Land & Buildings Maintenance	32,059	34,944	35,865	42,215	49,456
L&B Mtce - Effluent Dams	42,784	6,640	8,024	18,194	5,746
L&B Mtce - Stock Pit	12,255	9,404	10,496	6,037	5,752
L&B Mtce Water Reuse Plant			6,723	9,906	85,666
L&B Mtce - Truckwash	26,247	25,794	19,247	25,953	21,389
L&B Mtce - Weighbridge	8,689	5,119	8,644	11,841	13,574
L&B Mtce - Yards	100,675	133,137	121,775	132,747	136,528



	2011-2012	2012-2013	2013-14	2014-15	2015-16
Licences - EPA & Safework	7,160	7,318	7,535	7,740	7,922
Liveweight Wages	65,298	19,317	21,753		
Loan Repayment - Cash Advance Interest		22,301	4,514	3,399	227
Loan Repayment - Interest	40,033	28,216	26,044	119,695	111,890
Loan Interest		82,854	101,020		
LSL Liability	3,463	18,483	11,076	12,856	13,002
Market Reporting Costs					800
Motor Vehicle Expenses	6,299	6,788	8,580	7,657	8,672
Other Expenses	685	2,599	1,479	1,242	9,048
Paddock Costs	458	1,207	621	1,130	189
Plant & Equipment Maintenance	8,961	9,956	17,057	14,787	17,021
Printing & Stationery	1,554	3,202	1,338	1,011	1,767
Protective Clothing/Uniform	5,155	4,560	5,060	4,542	3,505
Refuse Collection	4,249	4,107	4,868	4,932	3,210
Salaries	111,468	115,563	126,984	119,077	126,094
Sale Day support				59,436	54,852
Soft Flooring	18,591	29,555	30,870	44,431	38,023
Scanning Charges	18,272	13,827	18,443	18,706	9,463
Subscriptions	14,977	9,155	9,210	7,495	8,725
Superannuation	35,913	34,003	35,213	39,168	37,670
Telephone/ADSL	5,303	7,527	6,162	5,516	7,394
Training Costs	10,255	5,863	12,182	4,061	6,011
Truck Wash (Avdata) Costs	10,065	5,083	14,935	16,625	14,844
Workers Comp	19,658	18,617	20,478	21,617	21,960
Water Licence	732	118	118	120	123
Yard Washing	68,656	57,437	50,776	53,336	50,982
TOTAL EXPENDITURE	1,070,945	1,233,877	1,303,505	1,472,324	1,492,305



	2011-2012	2012-2013	2013-14	2014-15	2015-16
Disposal of Dead Stock	-11,039	-22,746	-11,970	-12,876	-9,501
Canteen Lease		-6,242	-6,630	-6916	-6,493
Fees	-1,175,004	-1,043,097	-1,126,332	-1,271,148	-1,050,846
Fees - EU Cattle	-22,628	-21,345	-26,167	-28,190	-46,471
Fees - Store Cattle	-64,982	-64,992	-72,819	-86,766	-87,128
Grant Income				0	
Interest Income	-14,169	-4,954	-433	-1,535	-2,720
Licence Fees (Agents)		-6,000	-7,311	-7,480	-7,609
Recoveries				0	
Agistment - Land	-3,931		-5,080	-3,688	-2,534
NLIS Tags	-22,353	-14,786	-17,007	-17,818	-12,702
Other Income	-71,739	-2,892	-47,356		-4,600
Phylloxera Shed					
Paddock Charges	-11,465	-27,714	-28,186	-23,815	3,570
Truckwash Fees	-99,367	-54,700	-146,698	-161,997	-139,458
TOTAL INCOME	-1,496,677	-1,269,468	-1,495,989	-1,622,456	-1,366,492
OPERATING PROFIT/(LOSS)	425,732	35,591	192,484	150,132	-125,813
ADJUSTED FOR DEPRECIATION	580,588	298,371	478,045	540,561	269,921



	2011-2012	2012-2013	2013-14	2014-15	2015-16
Disposal of Asset	-11,364			-11634	
Sale of Plant			-10,000		
Loan Income	-2,000,000				
Loan Income - Internal (Repay to Council)					
Grant Income	-1,800,000	-200,000		-225,001	
Loan Repayment - Principal (Truckwash)	28,277	30,276	32,417	34,709	37,163
Loan Repayment - Council	17,280	17,280	17,280	17,280	17,280
Loan Repayment - Principle (Roof)		44,477	92,520	97,489	102,724
Capital Expenditure	54,725	8,250			
Additions IT				1,054	14,595
Infra Addition Shed	2,920,451	194,529			
Infra F&E			6,142		7,045
Infra Minor Plant			4,923	8,540	9,646
Infra major plant				31,600	10,164
Infra additions building				11,473	23,618
Infra Loading ramps upgrade			30,206	478,413	
Infra Addition Water Reuse Project	1,490,009	166,211	13,890		
Infra Addition Weighbridge		595,375	161,577		
Infra addition D Yards			5,548	49,002	
Infra cattle selling pens					86,460
TRANSFER TO RESERVE	-118,790	-558,027	123,542	47,366	-38,774
NRLE RESERVE	462,894	-95,133	28,409	75,775	37,001



FEE SCHEDULE 2015/16 (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	\$ 9.83
CALVES1	per head	\$ 4.09
SHEEP1	per head	\$ 0.86
EU CATTLE (additional charge per head)	per head	\$ 2.50
Paddock CHARGES – CATTLE	per head	\$ 2.40
Paddock CHARGES – SHEEP	per head	\$ 0.25
SCANNING – STORE CATTLE	per head	\$ 2.15
NLIS TAG	per head	\$ 32.00
NLIS TAG – BULL	per head	\$ 64.50
NLIS Levy (GST Exempt)	per head	\$ 0.50
DEAD STOCK DISPOSAL		
CATTLE	per head	\$ 120.00
SHEEP	per head	\$ 12.50
CALL OUT (additional to disposal fee)	per head	\$ 155.00
CATTLE – Humane Reasons/Not Fit for Sale	per head	\$ 295.00
SHEEP – Humane Reasons/Not Fit for Sale	per head	\$ 61.00
TRUCKWASH		
KEY DEPOSIT	per key	\$ 33.00
USE	per minute	\$ 0.75
USE (CASUAL)	per minute	\$ 1.00

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 for 2015/16 comprised;

Cr Toby Robinson Chair
 Cr Scott McLachlan
 Mr Robin Gericke
 Mr Ian O’Loan
 Dr Helen Macdonald CEO (non voting)
 Mr Steve Bourne Director Operations (non voting)

Naracoorte Combined Agents

Chair Laryn Gogel – SAL



The 2015/ 2016 period saw 92,523 cattle yarded. The largest yarding for one day was 5,259 weaner cattle sold in December. The ten year average for cattle throughput is 100,658.

Average prices for steers in the two major sales (10 December and 7 January) were \$1,121 and \$1,107 per head respectively, up from \$683 and \$718 on the same sales the previous year. Heifer prices for the sales 11 December and 8 January were \$1,043 and \$928 compared to 2014/15 figures of \$539 and \$597.

The higher numbers and average prices received is reflected in the gross value of \$106,751,368 for cattle sold for 2015/16 year, up from \$87,389,410 in 2014/15.

While sheep numbers in Australia are still on the build-up stage, the throughput was down on the ten year average (487,540) at 327,411. The largest market was the first cross ewe lamb sale where 30,415 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 55,088 yarded and sold. Coolawang a/c the James family achieved the highest price of \$286 for a pen of 149, first cross ewes. The top price paid for ewe lambs was \$230 for a pen of 160 a/c Lenton P/L. The average price for the ewes was \$214 while lambs averaged \$158.65. The total revenue was \$10,106,133 for the two sales. This was an increase of \$1,583,026 on the previous year.

The total value of sheep and lambs sold for 2015/6 was \$35,662,227

The Naracoorte Combined Agents sold \$106,751,368 worth of cattle and \$35,662,227 worth of sheep and lambs for a total of \$142,413,595 on behalf of primary producers through the Naracoorte Regional Livestock

Exchange.

The new roof and soft flooring continues to be a success with favourable comments from all user groups.

Open dialogue continued through regular meetings with the Naracoorte Combined Agents.

Analysis against budget

Stock throughput for 2015/16 were below forecasts, with cattle sales 18,221 below the previous year and 2,477 below forecast target of 95,000. Sheep and lamb numbers were 122,589 below the forecast target of 450,000. This confirms the need for a conservative approach when forecasting stock numbers. The key factors affecting throughput were;

- Marketing trends have 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 2015.
- Sheep numbers are still low in Australia and building up
- High prices contributed to a selling down of cattle numbers with cattle numbers at a low point in Australia.

Promotion and Marketing

A small amount of advertising was undertaken during the year in the Stock Journal and Weekly Times in conjunction with the Naracoorte Combined Agents. This approach to joint marketing between the owner and users on the facility is the most beneficial.

Several service groups have visited the NRLE for information and guided tours. The site was once



again used for the Young Auctioneer competition with winner Ronnie Dix eventually winning the international competition in Calgary, Canada.

Compliance

Environmental Protection Authority (EPA) license conditions for the disposal of waste water and the dead stock pit. Some minor works were required to improve management of solid waste from the waste water treatment process. Factor UTB prepared a detailed operations plan for the waste water treatment plant and conducted training for staff and a local contractor. A maintenance contract has also been established with Factor UTB and combined with the improvement in staff

knowledge of the system, has greatly improved the management of waste water at the site.

A 5.2 Ha on the land adjacent to the north of the NRLE was fenced as a Significant Environmental Benefit (SEB) for Council. This was inundated with the wet winter and no plantings were achieved this year, although some natural regeneration will occur.

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



Young Auctioneer of the Year Ronnie Dix in action



loaded into the computer system and an Extended Residue Program (ERP) check and Livestock Production Assurance Program (LPA) status being conducted prior to sale.

Incidents

The NRLE did not record any significant incidents in 2015/16. A WHS manual for Saleyards was prepared by the LSAV and purchased by the NRLE.

The Year Ahead

The 2016/17 year will be a year of significant capital upgrades if grant applications are successful. The highest priority for upgrade are the cattle selling pens and a \$2M project is proposed including \$1M grant funding. The canteen and ablutions will be revamped from existing funds.



Full yards at the November First Cross Sale