



Towong Shire Council
Corryong Saleyards Futures Study
Final Report

March 2015

Executive summary

Background

The Towong Shire Council (TSC) engaged GHD to undertake a study into the potential future of the Corryong Saleyards located in Corryong, Victoria.

As the long term lease of the saleyards expires on 27 June 2015, TSC will be required to make a decision as to the future of the saleyards. The purpose of this study is to guide Council in their decision making.

Methodology

The scope of this study includes the following:

- **A background review** (Section 2) including findings from previous reports, current lease and commercial arrangements, financial and operational data and analysis of national and regional trends in the livestock selling sector.
- **A review of current facilities** (Section 3 to Section 6) with consideration of a range of regulatory and compliance issues including OH&S, animal welfare, structural issues, biosecurity, water use and waste water treatment, amenity, roads and traffic, security etc.
- **Stakeholder consultation** (Section 3 to Section 7 and Appendix A) including feedback from livestock agents, local producers, livestock transporters, buyers, industry bodies, community stakeholders and the Northern Victoria Livestock Exchange.
- **Options analysis** (Section 8) including a structured assessment of different future options for the facility.

Based on the above analysis, GHD worked with Council to develop **recommendations** for the future of the facility, for Council's consideration (Section 9).

Key results

Overall throughput declined significantly between 2006 and 2012, before increasing slightly in recent years (see Figure 1).

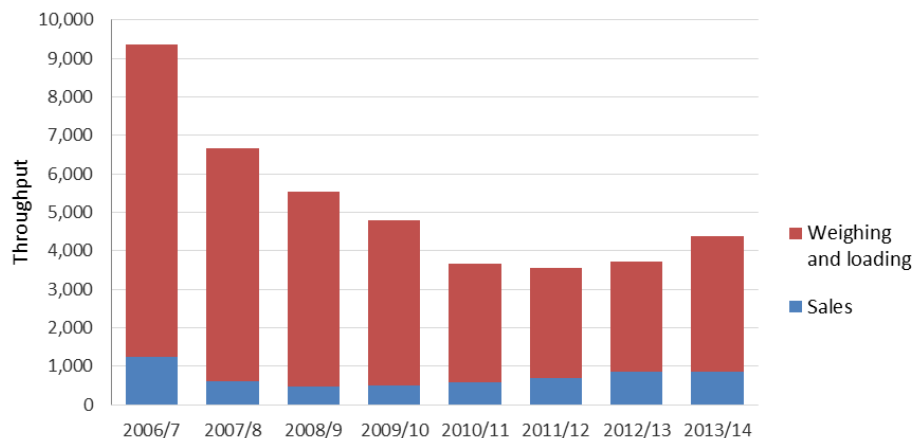


Figure 1 Historical throughput

In 2013/2014 (the most recent records available), the facility posted a negative cashflow of \$21,212 as shown in Table 1. Cleaning (\$15,189) and maintenance (\$12,683) were the major costs.

Table 1 Financial summary

	2013/14
Throughput	
Weighed	3,537 head
Sold at sales (head)	856 head
<i>Subtotal throughput</i>	<i>4,393 head</i>
Revenue	
Yard dues - Sales	\$ 5,799
Yard dues - Weighing	\$ 15,854
Truck wash	\$ 2,081
TOTAL REVENUE	\$ 23,734
Variable Costs	
Cleaning labour	\$ 15,189
Water	\$ 9,700
Electricity	\$ 1,211
Operating expenses	\$ 2,992
Truck wash	\$ 3,049
<i>Subtotal variable costs</i>	<i>\$ 32,142</i>
Fixed Costs	
Program maintenance	\$ 12,683
Specific maintenance	
Building insurance	\$ 121
<i>Subtotal fixed costs</i>	<i>\$ 12,804</i>
TOTAL COSTS	\$ 44,946
OPERATING CASHFLOW excluding depreciation	-\$ 21,212

Figure 2 below shows how the facility went from being cashflow positive in 2006/07 and 2007/08, to returning negative cashflows in recent years, due to a combination of declining revenue and escalating costs, particularly for cleaning, water and maintenance.

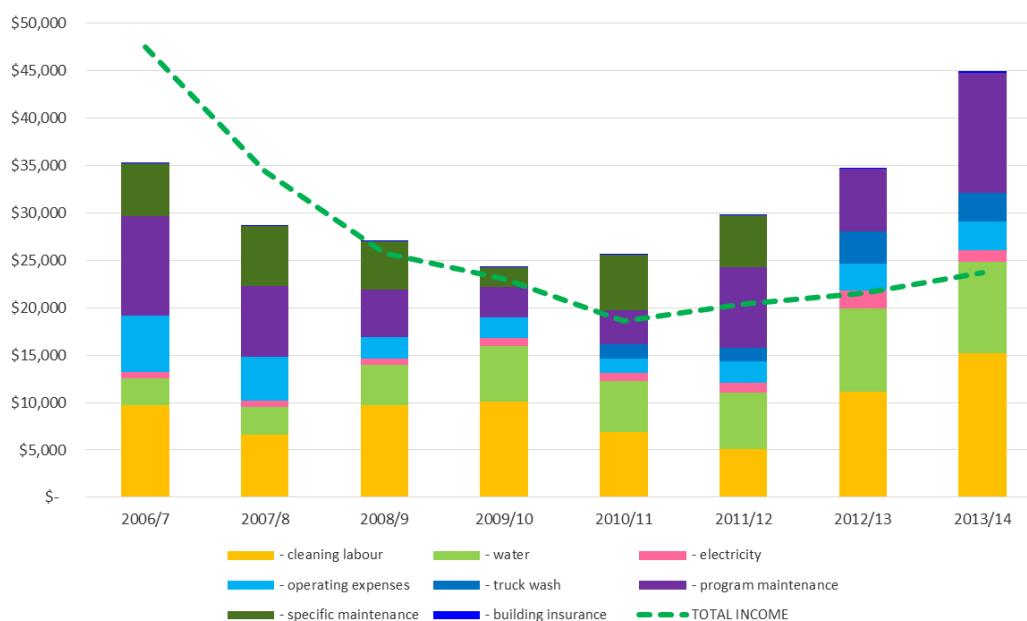


Figure 2 Total costs (less depreciation) vs income

Despite the recent decline in use and cashflow, consultation found that the facility is generally valued by stakeholders, with a large proportion (17 out of 41 respondents) anticipating major impacts should the facility close (Figure 3).

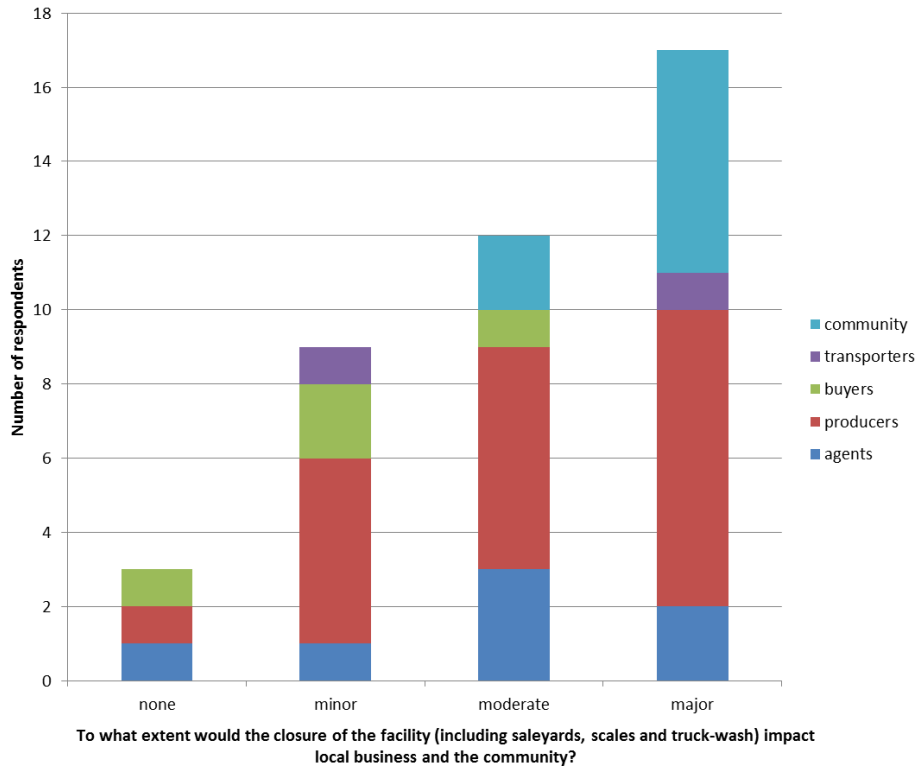


Figure 3 Potential impact to local business and community from saleyard closure by stakeholder type

Many buyers, sellers and agents anticipated using the facility more often, particularly given the increased selling costs associated with the new Barnawartha saleyards, and the possibility of gaining improved access when the current lease arrangements end.

In addition to the main services provided (selling, weighing and loading and truck wash services) stakeholder consultation also identified a range of additional uses which the facility provides to local businesses and the community, particularly during the annual Man from Snowy River Festival, including waste disposal, amenities, horse loading and unloading, camping, and CWA catering as outlined in Section 7.1.

Options analysis

GHD worked with Council to explore and evaluate four different options for the facility:

- Option 1 – High investment
- Option 2 – Low investment
- Option 3 – Operate as weighing and loading facility only
- Option 4 – Sell facility

Each of the above options were evaluated by modelling future cashflow and conducting a multi-criteria analysis exercise with Council. The results of the multi-criteria analysis (Table 2 below) shows the High investment and Sell options leading the Low investment and Weighing and loading only options. The full results from the analysis are provided in Appendix B.

Table 2 Results from Council multi-criteria analysis exercise

	Multi-criteria analysis score (see full results in Appendix B)
1. High investment	73%
2. Low investment	61%
3. Weighing and loading only	48%
4. Sell	72%

The results from the above options analysis exercise were discussed with Council at the workshop, and a preferred approach developed (outlined below).

Key recommendations

Overall strategy

Consultation, particularly with local agents, found a clear desire to utilise the saleyards for additional sales (3-6 a year) and to increase weighing and loading activities. The review also found opportunities to improve revenue collection and reduce costs.

Based on these assumptions, our economic analysis suggests the facility can have a positive operating cashflow, separate to the depreciation and capital replacement costs, however it will remain vulnerable to any unforeseen costs due to regulatory changes or required infrastructure upgrades.

On this basis Council would be advised to give the saleyards the opportunity to operate with more open access, beyond the current lease arrangements, to see if it can return operations to a positive cashflow position.

Recommendation 1: Towong Shire Council should commit to operating the Corryong Saleyards beyond the current lease, with a view to making the facility available to all agents, livestock transporters and producers. Council's commitment to the saleyards should be conditional on the facility returning positive operating cashflow, due to increased throughput, modest fee increases, improved cost control and revenue collection. If after the 2-3 years the facility continues to return negative cashflow, or if the facility is to incur large unforeseen costs due to regulatory changes or required infrastructure upgrades, the facility should be sold.

Management and oversight

The establishment of an Advisory Committee to oversee management of the saleyards was recommended in both previous reports into the Corryong Saleyards (see section 2.1), and is recommended in The Australian Model Code of Practice for Livestock Saleyards and Lairages:

It is recommended that saleyard have a system in place such as a Saleyard Advisory Committee as part of the overall management strategy.....The saleyard operator or their agent shall be responsible for the coordination of and continued functioning of a Saleyard Advisory Committee, or equivalent thereof. The committee should include (but is not restricted to) representation from buyers, agents, vendors, livestock carriers and council representatives, with the saleyard manager in attendance. (Section 3 Operational Requirements)

Most Council-owned saleyards operate under the direction of Advisory Committees established in accordance with Section 86 of the Local Government Act (1989), also known as Section 86 Committees. This arrangement allows Councils to delegate certain management decisions and responsibilities.

In the case of the Corryong Saleyards, the establishment of a Saleyards Management Committee would assist in building “ownership” amongst saleyard users (agents, transporters and producers). Consultation found that many of these stakeholders have innovative ideas about how to improve the cashflow of the facility. The majority of agents consulted expressed an interest in participating in a Management Committee however facilitating the Management Committee in the context of competing interests of agents (and other parties on the committee) may be a key challenge. The appointment of an independent chair for the committee may help manage any potential conflicts.

Recommendation 2: Towong Shire Council should seek to establish a Corryong Saleyards Management Committee, under section 86 of the Local Government Act (1989). The Management Committee should include the following representatives:

- **Two livestock agents;**
- **One producer;**
- **One transporter; and**
- **Two Council representatives (one operational staff member and one senior manager).**

In addition to these six members, Council should seek to appoint an independent chair, to avoid conflicting interests.

The Management Committee should be charged with overseeing operational decisions around the saleyards, on behalf of Council, with a clear objective of ensuring the facility returns a positive cashflow position, through increased throughput, improved revenue collection and reduced costs.

Fees for use

Overall, there is an opportunity to amend the current fee structure to better reflect the costs associated with running the facility.

Yard dues at the Corryong Saleyards have remained largely unchanged (\$5 per head for adult cattle, and \$2.50 for calves) for many years. In this time the relative costs of operating the saleyards have increased significantly. Consultation found that selling costs (including both yard dues and transport costs) was an important consideration for producers and a key advantage for the Corryong Saleyards. GHD believe a modest increase in yard dues is necessary for the facility to return a positive cashflow. This increase would most likely be accepted by producers, particularly given the increased costs associated with selling via the Barnawartha facility (with yard dues of up to \$20 per head) and the higher prices being received at present.

The costs associated with cleaning the yards after use have increased significantly in recent times. However, the current fee structure does not always ensure cleaning costs are covered in the fees collected. The introduction of a cleaning fee for yard use (replacing the current flat fees for sales), would ensure cleaning costs are covered and send a price signal to encourage users to limit the use of additional areas where possible.

Recommendation 3: Yard dues should be increased to levels which ensure operating and maintenance costs are covered (e.g. to \$6-8 per head (including GST) for adult cattle, and half this rate for calves).

In addition, Council should introduce a flat fee for yard use, aimed at covering cleaning costs. This fee should be applied based on the proportion of the yards requiring cleaning (e.g. \$150 for use of half the yards, \$300 for use of the whole yards).

Suggested improvements

A review of the current facilities and consultation with stakeholders have identified a number of potential improvements, listed and prioritised below. The higher priority improvements are those which will likely pay for themselves in the first few years, through improved throughput, revenue collection and/or reduced costs. The lower priority improvements are those which are less urgently required or may take longer to pay off.

Consultation found that some regular yard users (agents and transporters) would be willing to contribute funding towards improvements.

Recommendation 4: The Saleyard Management Committee should consider the following targeted investments to make the facilities easier to manage, with reduced costs and improved revenue collection:

Higher priority improvements

- **Replace current scales with newer technology**
- **Install NLIS scanner on loading ramp**
- **Install Avdata truckwash system, while retaining coin operated option (further information on this system is available in Appendix C)**
- **Install a new water tank and pump to improve water pressure when cleaning yards with mains water. Alternatively invest in an portable pressure cleaner.**

Lower priority investments

- **Install additional dirt floor holding pens**
- **Install a more user friendly cattle crush**
- **Install a circular drafting race**
- **Install pneumatic gates on the scales**
- **Install an infirm area for sick animals, veterinary treatment or humane destruction.**

In addition to the above investments, consideration should be given to the recommendations contained in the review of facilities contained in Section 3.

Opportunities may exist for agents or transporters to contribute some of the costs for these improvements.

Managing legal risks

Operating saleyards carries significant legal risk, particularly due to injury or death. While the Corryong Saleyards are covered in the Council's public indemnity insurance policy, it would be prudent for Council to establish standard conditions and protocols to ensure yard users are aware of their obligations when acquiring the use of the yards. These conditions and protocols could be part of a formal contract and/or communicated in other ways (e.g. distributed leaflets or signs).

In establishing the Saleyards Management Committee, Council should ensure the Committee has appropriate legal indemnity, under the Council's insurance policy.

Recommendation 5: Council should seek to ensure legal risks are appropriately managed by:

- **Establishing appropriate governance framework for the Section 86 Committee to manage and mitigate risks to Council**
- **Establishing conditions of indemnity covering the Saleyard Management Committee**
- **Establishing standard conditions and protocols to ensure yard users are aware of their obligations when acquiring the use of the yards. These conditions and protocols could be part of a formal contract and/or communicated in other ways (e.g. distributed leaflets or signs).**

Conclusions

GHD's investigation into the current and future operational considerations of the Corryong Saleyards has revealed the current and significant potential role of the site for a range of community and business stakeholders. In short, the establishment of a Corryong Saleyards Management Committee, appropriate revision of yard dues, targeted improvements to the saleyards facilities and the establishment of standard conditions and protocols for users should be committed to by Council with a view to return the saleyards back to a state of positive cashflow. This should be supported with a view to making the facility available to all agents, livestock transporters and producers.

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1. Introduction

1.1 Purpose of this study

The Towong Shire Council (TSC) engaged GHD to undertake a study into the potential future of the Corryong Saleyards located in Corryong, Victoria.

As the long term lease of the saleyards expires on 27 June 2015, TSC will be required to make a decision as to the future of the saleyards. The purpose of this study is to guide Council in their decision making.

1.2 Scope and limitations

The scope of this study includes the following

- A background review (Section 2) including findings from previous reports, current lease and commercial arrangements, financial and operational data and analysis of national and regional trends in the livestock selling sector.
- A review of current facilities (Section 3 to Section 6) with consideration of a range of regulatory and compliance issues including OH&S, animal welfare, structural issues, biosecurity, water use and waste water treatment, amenity, roads and traffic, security etc.
- Stakeholder consultation (Section 3 to Section 7 and Appendix A) including feedback from livestock agents, local producers, livestock transporters, buyers, industry bodies, community stakeholders and the Northern Victoria Livestock Exchange.
- Options analysis (Section 8 and Appendix B) including a structured assessment of different future options for the facility.

Based on the above analysis, GHD developed recommendations for the future of the facility, for Council's consideration (Section 9).

Stakeholder consultation

GHD conducted telephone interviews of 24 local stakeholders and provided additional opportunities for livestock producers and other members of the local community to provide feedback via a written survey (made available at council offices or online). Stakeholders were encouraged to provide feedback via a Council media release. A summary of the consultation undertaken is provided in Table 3 below.

Table 3 Summary of stakeholder consultation¹

Stakeholder	Consultation undertaken
Livestock agents	6 telephone interviews
Local cattle producers	4 telephone interviews were held with local producers 16 local producers provided feedback via written or online surveys
Local transporters	3 telephone interviews
Buyers	4 telephone interviews with local abattoirs and contract buyers
Community and industry stakeholders	2 telephone interviews with the Man from Snowy River Festival and Upper Murray Business Inc. 8 community stakeholders provided feedback via written or online surveys
Other stakeholders	Semi-formal telephone discussions were held with <ul style="list-style-type: none">• Relevant Council staff• the Northern Victoria Livestock Exchange (NVLX)• Myrtleford Saleyards• Livestock Agents Association• Saleyard Operators Australia and relevant Council staff• Various service providers were approached for pricing information, including Proway, Avdata, Ultrahawk.

Council advertised the review via a press release and its Facebook page, leading to front page coverage in the local newspaper (Figure 4).

¹ Note that not all stakeholders responded to every question, resulting in small discrepancies in sample sizes in some analysis e.g. Figure 3.

Small

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Have a say on saleyards future

The views of local farmers and community stakeholders are being sought as part of a study exploring the future operation and management options for Corryong's livestock saleyards. Towong Shire Council has engaged independent

consulting firm, GHD, to develop the Corryong Saleyards Futures Study in collaboration with local producers, industry groups and the community.

Upper Murray primary producers and members

of the community are encouraged to submit their views by participating in a survey which is available online or from council's offices.

"Everyone in the Upper Murray community

is invited to participate in this study," said Towong Mayor Cr David Wortmann.

"To explore all options available for a viable and sustainable future at the saleyards, we need

to understand how they are currently viewed and utilised and whether there is support for a future facility that adds value to producers and the local economy," he said. Raising the Upper

Murray's profile as a premium livestock producing region through marketing initiatives has been identified as a theme through the Upper Murray 2030 Vision Plan consultation process.

"The saleyards study will explore the opportunities for local primary producers to showcase their quality product and do business locally," explained Cr Wortmann.

Among the options under consideration is how Corryong's facilities could link with the new livestock exchange in Barnawartha using innovative technology solutions.

The study will also include what the economic and social impacts could be if the saleyards were to close.

Inside today's Corryong Courier

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Figure 4 Media coverage encouraging community input

1.3 Disclaimer

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2. Background Review

The Corryong Saleyards are owned and managed by the Towong Shire Council. The saleyards sit on a 2.45ha parcel of land, bounded by Stock Route Road, Donaldson Road and privately held farm lands.

The saleyards complex consists of over sixty cement yards with concrete floors, steel railings, holding yards, a toilet block, a facility for the disposal of effluent from caravans and campervans (known as a “Dump Point”), a truck wash and small sundry buildings servicing the yards. There are also two settling ponds for effluent, which supply recycled water for use in the yards and a parking area which doubles as overflow camping sites during the Man from Snowy River Bush Festival.

On 28 June 1985, Council entered into a lease with Mr Jeff Cooper for the site for a period of 9 years and 364 days. The lease was subsequently extended to a period of 30 years. The lease on the property expires on 27 June 2015. As provided for by the lease conditions, Mr Cooper erected cattle scales at the saleyards and has operated those scales for the past 29 years. The scales are available to the public by arrangement and Mr Cooper operates the scales each Tuesday. The scales will remain the property of Mr Cooper beyond the end of the current lease.

Since the late 1990s more cattle has been moving to the Wodonga Livestock Exchange for sale. There is a perception that this exchange achieves better prices for farmers, despite the additional costs of cartage. Sales at the Corryong Saleyards have decreased significantly, moving away from the regular sales that were held throughout the 1980s, 1990s and even the early 2000s. At its peak, up to 10 sales per year were held; now there is only one regular sale held at the Corryong Saleyards annually.

The yards are used regularly for weighing and loading and unloading cattle, with these movements generally being controlled by Mr Cooper under the conditions of his lease. Each movement and weigh in attracts a per head fee which is payable to the Towong Shire Council. Year on year, this revenue has decreased as less and less stock move through the yards, although there is no mechanism in place to reconcile throughput to income.

An aerial image of the saleyards is provided in Figure 5, while Figure 6 provides a representation of the on-site infrastructure and uses.



Figure 5 Aerial image of saleyards

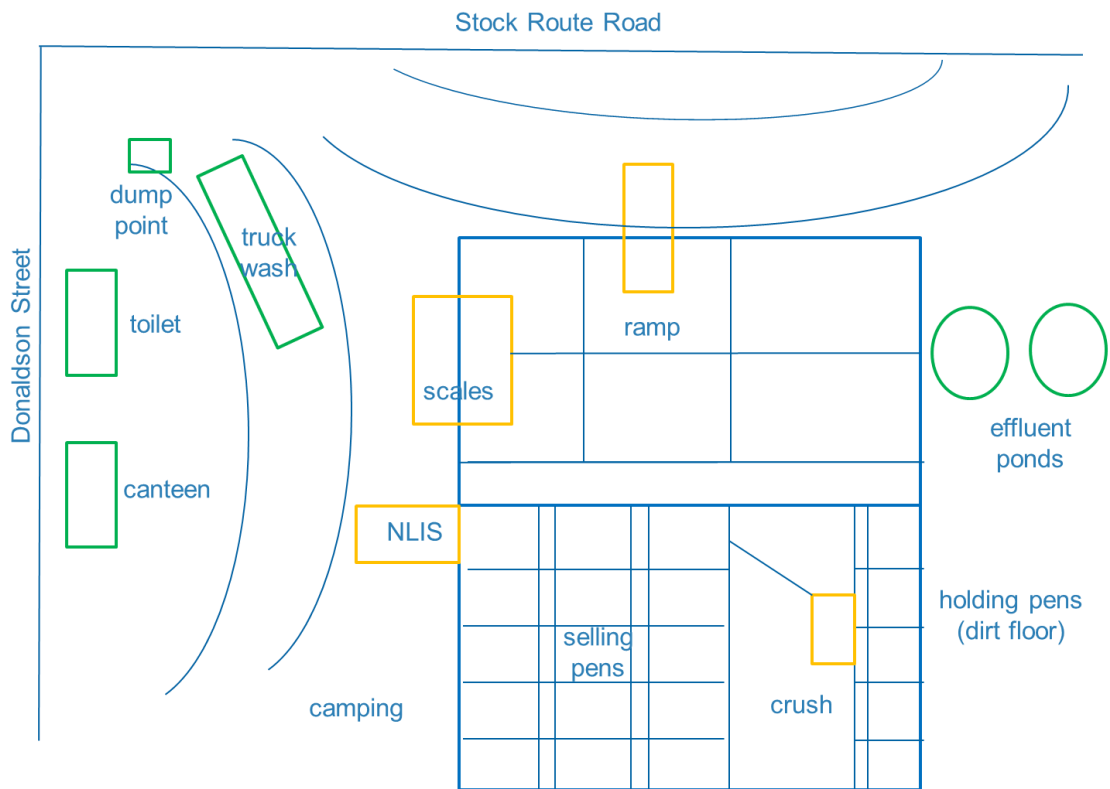


Figure 6 Representation of infrastructure on site (not to scale)

Small regional saleyards have been under increasing pressure for many years, forcing many closures. Section 2.3 provides a more detailed profile of saleyards in Australia, outlining some of the main trends and challenges.

2.1 Findings from previous reports

2.1.1 The 2005 Genskills Report

In June 2005 Genskills Pty Ltd (Genskills 2005), delivered a report for Council on the future of the Corryong Saleyards, drawing on financial and historical information, anecdotal information from stakeholders and general desktop research. The report provided some overall direction for the facility, combined with some specific recommendations for changing practices and reducing costs. The full recommendations and conclusion from the report are contained below.

“Conclusions

From the information gathered during this study, a clear decline in revenue from the saleyards has been observed. Stakeholders see value in the facility being retained, but the current lease of the weighing facilities, which is in place until mid 2015, concerns many stakeholders and has caused a great deal of conflict over the years. Installing Council owned and operated cattle weighing facilities is the preferred option of most the local stakeholders, however financial return for this investment can't be quantified.

The sale or lease of the facility would be ill advised while the lease of the livestock weighing facility is in place. It would also require the re-zoning of the land for sale and considerable community engagement to mitigate ill feeling. Sub-division of the land to retain the camping, waste and truck wash facilities would appear to be difficult from a practical point of view and would de-value the remaining land with the yards, which would then have no facilities attached at the time of sale. Re-locating the camping, truck washing and waste facilities to another site has not been investigated in this report, but it can be assumed that it would be a costly exercise.

Inefficiencies, some of which can be corrected inexpensively, were found to exist and addressing these inefficiencies is the recommended course of action at this point in time. Changes in weather conditions and the moving of the Wodonga Saleyard facility could potentially prove to be opportunities for an increase in sales held in Corryong. It is further recommended that a Saleyard Committee be formed to assist in the marketing and future viability of the saleyards.

Recommendations

Retain the facility for the next four years while the lease with Mr Cooper is in place and plan to sell, lease or re-asses close to that point in time. To achieve this with minimal financial losses in the ensuing period it would be desirable to:

- *Change practices where possible at minimal cost to reduce losses in the interim by addressing inefficiencies.*
- *Plan to re-asses the retention, sale or the lease of the yards closer to the time of lease expiry (2015). Re-zone and possibly subdivide land closer to the time if it was deemed necessary.*

Summary of Suggestions for reducing Saleyard Losses:

- *Supplement the coin operated system with the Avdata Australia National Truck wash system. Establish a higher fee for the use of the facility.*

- *Stop-cock valves in troughs should be covered and protected from cattle*
- *Restrict access to parts of the yards that are not being used and empty troughs.*
- *Keep yards locked and open on request only.*
- *Outsource the NLIS scanning and reporting for sale days.*
- *It is further suggested that a Corryong Saleyard Committee be formed, made up of the stock agents who work in the area, at least one employee of Council and other interested parties. This could facilitate the co-operation of Stock Agents as a cohesive group who work together for the good of their own businesses and that of the community.”*

Following this report Council made some efforts to change practices and reduce costs at the facility, however, with the exception of outsourcing of NLIS scanning and reporting, the majority of the above recommendations have not been implemented. The main reasons for recommendations not being implemented were a lack of resources, and difficulty negotiating changes under the current lease agreement.

2.1.2 The 2012 Shaw Report

In February 2012 Shaw & Associates Consulting (Shaw 2012) delivered a report for Council on the strategic direction for the Corryong Saleyards. This report provided a higher level focus on the strategic position of the Corryong Saleyards over the medium and long term, with consideration to livestock marketing trends and the financial performance of the yards. The report made the following recommendations on the strategic direction for the saleyards, however stopped short of recommending a specific outcome for the facilities.

“Conclusions

It is concluded that:

- *The long term financial viability of the Corryong Saleyards is very uncertain based on its current operations and the trends in both the saleyard industry and towards alternative selling methods.*
- *The losses being generated by the saleyards are the result of primarily the poor seasonal conditions but inadequate revenue and cost control are also factors in the losses being experienced.*
- *There is potential for improving the viability of the saleyards by improved revenue and cost control; higher throughput given the return to good seasonal conditions; and the saleyards natural competitive advantage due to their location.*
- *The formation of an effective agents association to organise and promote the sales, and implementing an effective weighing service, would greatly assist the recovery of the saleyards.*
- *A private operator(s) of the saleyards is an option that should be considered by Council.*

Recommendations

- *A three year deadline for a return to an operating surplus be set after which time the Council consider closing the facility if it continues to be a drain on the Council’s funds.*

- *A working committee comprising agents, vendor representatives, transport operators and Council be formed to develop a business and marketing plan for the Corryong Saleyards which addresses:*
 - *Developing and promoting a calendar of sales*
 - *Operation of the sales*
 - *Weighing services*
 - *Efficient scanning and NLRS requirements*
 - *Branding and promotion*
 - *Financials*
- *This Working Committee is to have a limited life, with its main purpose being to develop the business and marketing plan.*
 - *An agents association be formed to organise and promote sales at the saleyards;*
 - *The marketing and promotion plan of the saleyards be based on differentiating the Corryong Saleyards on the basis of high country, quality store cattle, and on innovative and creative marketing to attract vendor and buyer attention;*
- *The sale or lease of the saleyards be further considered in detail by Council.”*

The above recommendations have largely not been implemented, due in part to a long-term staff vacancy within Council, and a perceived difficulty in organising a working committee of agents under the current lease agreement.

2.2 Operational and Financial Performance

This section provides a summary of the operational financial performance of the facility, in terms of throughput, operating costs and revenue. A more detailed analysis of the operational and financial performance of different services within the overall facility is provided in Section 3 to Section 6 below.

2.2.1 Throughput

Overall throughput declined significantly between 2006 and 2012, before increasing slightly in recent years (see Figure 7).

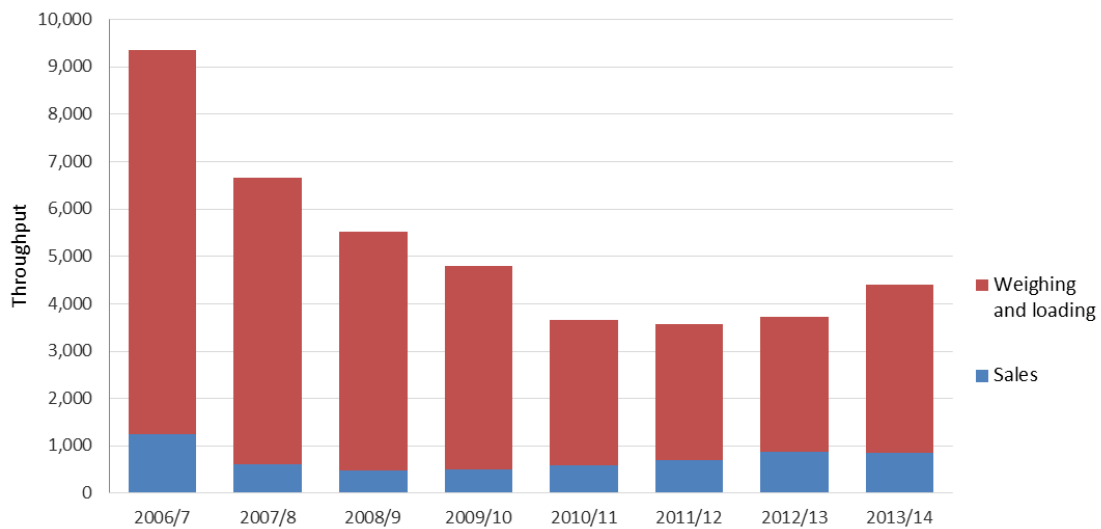


Figure 7 Historical throughput

2.2.2 Financial performance

In 2014 (the most recent records available), the facility posted a negative cashflow of \$21,212 (excluding depreciation)² as shown in Table 4. Cleaning (\$15,189) and maintenance (\$12,683) were the major costs.

Table 4 Financial summary

	2013/14
Throughput	
Weighed	3,537 head
Sold at sales (head)	856 head
<i>Subtotal throughput</i>	<i>4,393 head</i>
Revenue	
Yard dues - Sales	\$ 5,799
Yard dues - Weighing	\$ 15,854
Truck wash	\$ 2,081
TOTAL REVENUE	\$ 23,734
Variable Costs	
Cleaning labour	\$ 15,189
Water	\$ 9,700
Electricity	\$ 1,211
Operating expenses	\$ 2,992
Truck wash	\$ 3,049
<i>Subtotal variable costs</i>	<i>\$ 32,142</i>
Fixed Costs	
Program maintenance	\$ 12,683
Specific maintenance	
Building insurance	\$ 121
<i>Subtotal fixed costs</i>	<i>\$ 12,804</i>
TOTAL COSTS	\$ 44,946
OPERATING CASHFLOW excluding depreciation	-\$ 21,212

² Depreciation can be excluded from this analysis, as the amount allocated in accounts (\$40,055) has been calculated based on replacement value. Furthermore the analysis includes maintenance costs which should be sufficient to maintain the facility in its current state.

Figure 8 below shows how the facility went from being cashflow positive in 2006/07 and 2007/08, to returning negative cashflows in recent years, due to a combination of declining revenue and escalating costs, particularly for cleaning, water and maintenance.³

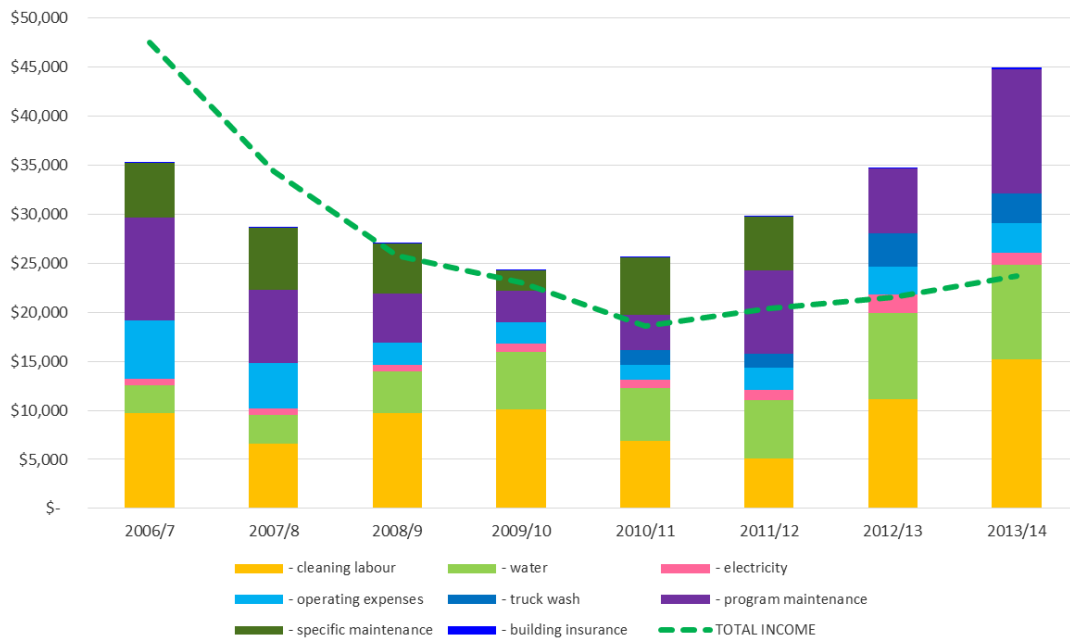


Figure 8 Total costs vs income

Section 3 to Section 6 examines in more detail each of the three main facilities and associated services provided at the site (selling, weighing and loading and truck wash facilities).

2.3 Profile of saleyards in Australia

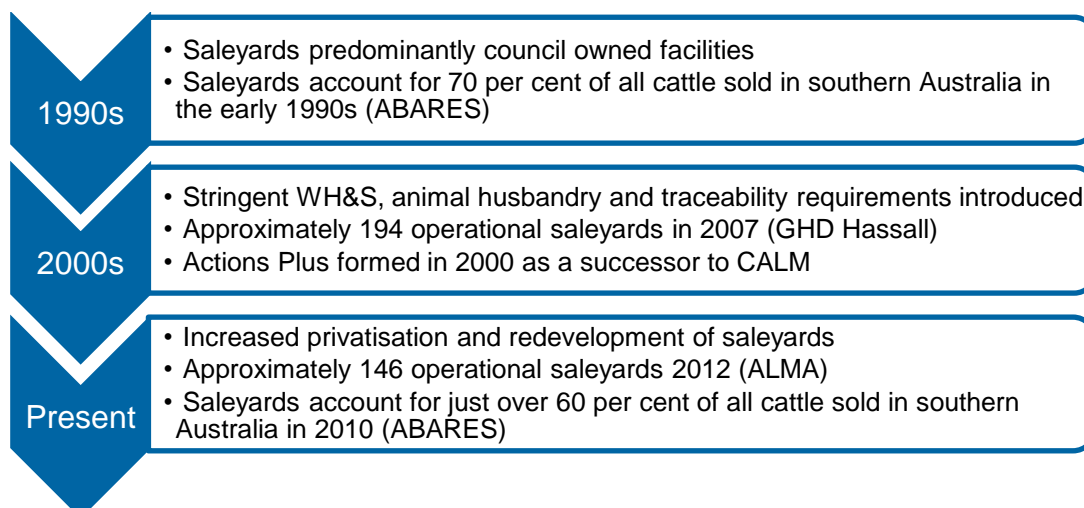
2.3.1 Overview

Saleyards have historically formed an integral part of the economic and social fabric of rural communities in Australia with most pastoral districts at some stage having had a community owned facility. Improved technology, transportation and regionalisation has driven a consolidation of saleyards and the growth of alternative selling methods, placing pressure on the financial management of saleyards. The proportion of cattle sold via auction in southern Australia declined from around 70 per cent in the late 1980s and early 1990s to less than 45 per cent in 2006–07⁴. This has since recovered to around 60 per cent, as outlined in Figure 9.

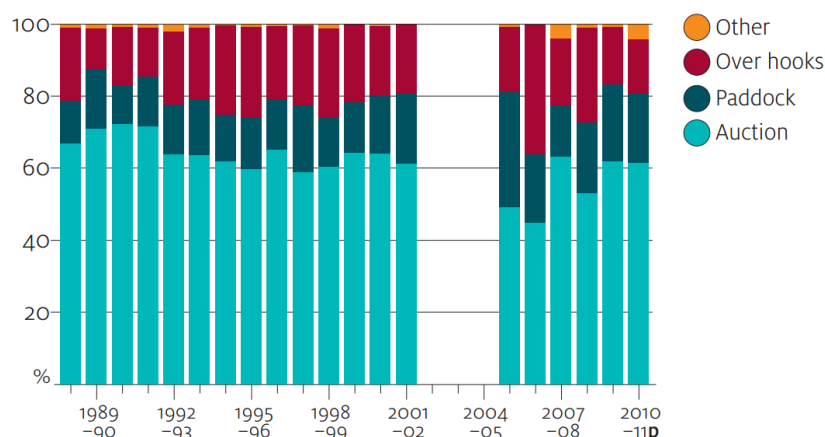
³ The breakdown of costs not itemised by facility are allocated in accordance with the Shaw Report (2012).

⁴ ABARE (2010), Australian beef: Financial performance of beef cattle producing farms, 2007–08 to 2009–10, 10.1, June, Canberra.

Figure 9 Progression of saleyard marketing in Australia



Auction sales are most favoured by producers who have smaller herds and who sell in small lot sizes (see Figure 10).



p Preliminary estimate.

Note: Because of changes in data collected, consistent results cannot be provided for the period 2002-03 to 2004-05.

Figure 10 Methods of selling beef cattle in southern Australia (ABARES 2012)

Apart from saleyards, the following overview provided by MLA details alternate selling methods available to cattle producers:

- Over the hooks (OTH) – Livestock are delivered directly to the abattoir with change of ownership taking place at the abattoir scales. Terms of sale vary between abattoirs. Livestock must be accurately assessed for sale to avoid price penalties
- Paddock sales – Livestock are inspected on the vendor's property by a buyer or agent and sold from the paddock
- AuctionsPlus – An electronic online auction for the sale of livestock by description (previously CALM). Combines the best features of the saleyard system and allows direct consignment to the abattoir or buyer
- Forward contracts – A contractual agreement between a seller (e.g. producer) and buyer (e.g. processor) to supply a given product at a future point in time for a given price
- Producer alliances – A group of producers working together to service market place requirements.

2.3.2 Recent developments

Rapid changes in the livestock selling industry have occurred over the past decade, including the acceleration of direct selling methods, changes in the operating environment and increasing regulations. Figure 11 outlines the factors influencing change.

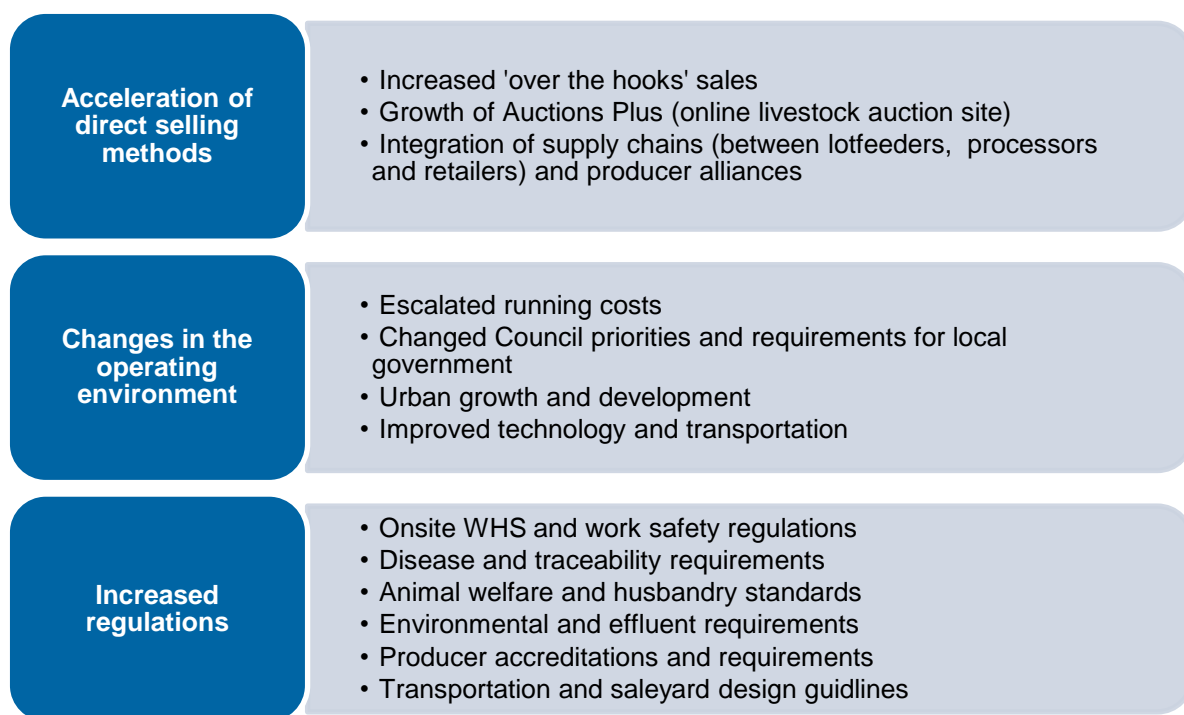


Figure 11 Drivers of change in livestock marketing

These factors have resulted in increased operating costs and increased competition for livestock. At some Council owned saleyards these factors and increased pressure from other areas for funding have creating a need for the saleyard facility to 'stand alone as a viable business entity'.

At the 2012 Australian Livestock Markets Association Conference (AMLA), the president of the Australian Livestock and Property Agents Association (ALPA) summarised the challenges facing the Australian Saleyards Industry as follows:

- *"The future of saleyards in Australia depends on investment in new infrastructure. Facilities are better equipped to comply with animal welfare, WHS legislation and incorporates state of the art design and equipment to facilitate livestock transactions".*
- *"The key success of these facilities is livestock throughput; therefore each Livestock Exchange should operate a Saleyard Advisory Committee, with Agents playing an integral role"⁵.*

2.3.3 Past analysis of saleyard marketing in Australia

Findings from "A Review and Analysis of Saleyard Marketing in Australia"⁶

- *"Seasonal conditions and the reputation of the saleyards are the most important drivers influencing which saleyards vendors send their stock to and which yards buyers attend to purchase stock. Expected prices are also important drivers for vendors whilst the quantity and reputation of the livestock motivate buyers to purchase from a particular saleyard.*

⁵ Australian Livestock Agents Association, Australian Livestock Markets Association Conference (2012)

⁶ GHD Hassall (2005), A Review and Analysis of Saleyard Marketing in Australia

- *In the future, the national saleyard network will be more regionalised with significant numbers of the smaller saleyards closing down, either unable to comply with increasingly stringent government regulations and/or unable to source sufficient capital to provide a level of technology comparable to their regional counterparts.*
- *To be viable in the long term, saleyards need sufficient throughput to cover the overhead costs incurred in meeting the cost of government regulations, associated technology and ongoing maintenance needs.*
- *The saleyard sector does have a significant role to play in the ongoing marketing of Australia's sheep, cattle and goats and will maintain a presence in the marketing chain. While many producers choose to market their livestock direct to works, many more continue to utilise the services of the saleyard sector.*
- *However, the sector must strive to be a part of the main game and not simply a selling avenue of last resort (e.g. for the sale of drought-affected or cull livestock only). In order for it to maintain or improve its relevance, it will need to continue pursuing improvements that reflect the priorities of the industry as a whole."*

3. Review of facilities

GHD reviewed the Corryong Saleyards against the requirements of The Australian Model Code of Practice for Livestock Saleyards and Lairages (Version 3, updated October 2014).

The Model Code of Practice is maintained by the Australian Livestock Markets Association, as a guide to aid saleyard and lairage owners and operators in achieving the required regulatory standards for worker health and safety and animal welfare for the facility in Australia.

The Corryong Saleyards were assessed against key requirements in the Code as shown in Table 6. These assessments following the ratings schedule contained in Table 5 and are accompanied where necessary by commentary and recommendations.

Table 5 Ratings used in review of facilities

Rating	Description
✓✓✓	Significantly exceeds recommendations
✓✓	Moderately exceeds requirements
✓	Minimally exceeds requirements
O	Meets minimum requirements
x	Minor work required to meet requirements
xx	Moderate work required to meet requirements
xxx	Major work required to meet requirements
?	Insufficient evidence to rate compliance

Table 6 Corryong Saleyard Facilities Review

Industry Requirement	Compliance Ranking	Commentary	Recommendations
Site and services requirements			
Outcome required: The saleyard is located and provided with essential services to facilitate safe, efficient and environmentally friendly operation			
Site			
Flood protection and drainage	×	Slope provides flood protection, surface drainage flows across site and soft dirt floors in pens are depressed Water ponds against edge of loading ramps and pavement during rain	Consider providing perimeter drainage to exclude surface flow plus surface overlay in soft floor pens
Odours, dust and environmental contamination	O	No noticeable odours. Dust a potential issue if frequent sales	Monitor
Size appropriate for use	✓✓		
Safe access and egress for loading/unloading, turning and parking	✓✓	Appears OK, but issue is segregation of cars, trucks Reversing movement of trucks to unload with potential for crushing injury	Consider signage and line-marking and implement management practices
Services			
Water quality, pressure, efficient use	✓✓	Appears adequate, the issue is efficient use of water due to uncontrolled use of pens and contamination of large areas that require cleaning	Implement management practices to increase accountability for users
Energy supply	O	Low energy consumption	
Waste disposal and liquid waste	✓✓	Concrete floor requires daily wash down	For further discussion
Environmental contamination from traffic ways and dust	×	Gravel parking areas and dirt holding pens	
Environmental approvals	?	Historic yards	Council to review records
Structural requirements			
Outcome required: The saleyard is designed, constructed and maintained to facilitate efficient flow and visibility of livestock for sale whilst providing for human safety and animal welfare			
General			

Industry Requirement	Compliance Ranking	Commentary	Recommendations
Operator safety maximisation	✓	Appears safe, but old yards	
Stress and injury to livestock minimisation	O		
Standards compliance			
<ul style="list-style-type: none"> No projections 	✓✓		
<ul style="list-style-type: none"> Slippery surfaces minimal 	✓✓		
Saleyards/lairage smooth flow of livestock	✓✓	Suitable for scale of activities	
Races and pressure areas in high movement areas to have solid sheet designs	O	Minimal compliance, not all races. Applied to external rather than internal face	Not major issue due to limited use, but if use increases may need to upgrade
Livestock movement in sale areas (non-slip surfaces)	✓	Concrete is inherently slippery. Recesses in concrete provided but not consistent with recommendations	
Holding areas (soft standing and under cover)	xx	No undercover except for bobby calf areas but becomes very wet and boggy 200-300mm deep in winter	Install perimeter drainage and resurface
Livestock selling area size	✓	Infrequent sales, appears adequate	
Yard drainage collection and disposal of waste			
<ul style="list-style-type: none"> Comply with State regulations 			
<ul style="list-style-type: none"> Minimise risk to the surrounding area 	xx	Potential overflow to surrounding areas. Surface drainage in holding areas uncontrolled	
Contamination of livestock by dust, mud and faeces	xx	Soft floor dirt surface mixes with rainfall. Concrete hard surfaces less risk	
Soil areas dust reduction processes	x	No known practices	
Sale areas offer safe access for public and buyers with clear view to livestock	O		
Comply with WH&S requirements for protection from extreme weather			
<ul style="list-style-type: none"> Livestock 	x	One sale per year in December,	

Industry Requirement	Compliance Ranking	Commentary	Recommendations
		extreme weather not likely	
<ul style="list-style-type: none"> Buyers, sellers, agents, and staff 	x	One sale per year in December, extreme weather not likely	
Feed and water			
Livestock holding pens and yards and selling pens equipped with watering troughs of suitable size	✓		
<ul style="list-style-type: none"> Accessibility 	✓✓		
<ul style="list-style-type: none"> Potential for injury 	x		
<ul style="list-style-type: none"> Fouling of water 	x		
24 hour stock holding facilities			
<ul style="list-style-type: none"> Feeding facilities 	✓	Water troughs in paddocks out the back	
<ul style="list-style-type: none"> Agistment paddock(s) 	✓	Paddocks are grassed	
Shelter			
Shade from heat	x	Alpine climate, cool	
Protection from rain and the cold	x	No sales in winter	
Vehicular access			
Loading ramps			
<ul style="list-style-type: none"> Level 	✓✓		
<ul style="list-style-type: none"> Paved or sealed 	✓✓	Bitumen sealed	
Dust minimisation	✓✓		
Parking facilities for patrons			
<ul style="list-style-type: none"> Separation from livestock vehicles 	x	No separation	
<ul style="list-style-type: none"> Potholes, corrugations or bogging 	✓	Gravel and grassed areas	
<ul style="list-style-type: none"> Signage 	xx	Lack of signage	
Emergency vehicles access	x	No specific provision but relatively small yards	
Stock agent and buyer parking and signposting	x	Lack of signage	
Loading and Unloading Areas			

Industry Requirement	Compliance Ranking	Commentary	Recommendations
Safe workplace and environment	✓	Concern with management of reversing of trucks, particularly as this facility is used infrequently	
Ease of access and smooth traffic flow	✓✓		
Compliance with Saleyard Work Health and Safety Manual			
Lighting			
<ul style="list-style-type: none"> Allowance for night time operation 	×	One light only, concern with reversing movements	
<ul style="list-style-type: none"> Pens 	×	One light only in centre of pens	
<ul style="list-style-type: none"> Unloading and loading areas 	×	One single street light	
<ul style="list-style-type: none"> Positioning of lighting for safe animal movement with shadow minimisation 	xx	Limited lighting will cause shadows, however infrequent night use, if any	
<ul style="list-style-type: none"> Lighting impacts on neighbouring properties 	✓✓	No neighbouring properties	
<ul style="list-style-type: none"> Compliance with Standards on lighting in saleyards 	×	Most likely non-compliant but occasional use only	
Public and Auctioneers Walkways			
Handler facilities compliance with Australian Standard AS1657 – 1992 “Fixed platforms, walkways, stairways and ladders - design, construction and installation” and consideration given to the Work Health & Safety Regulation, 2011			
<ul style="list-style-type: none"> Walkways 		Width 600mm	
<ul style="list-style-type: none"> Guard-rails 		Height 1000mm	
<ul style="list-style-type: none"> Stairs 		Width 600mm, step height 250mm, tread 250mm	
<ul style="list-style-type: none"> Landings 		None	
<ul style="list-style-type: none"> Hand-railing 		Provided	
<ul style="list-style-type: none"> Fixed ladders 		None	
Auctioneers walkways from stock lanes			
<ul style="list-style-type: none"> Signage to prevent unauthorised entry 	xx	None	Consider signage
<ul style="list-style-type: none"> Separation of walkway from livestock 	O	Reasonable	

Industry Requirement	Compliance Ranking	Commentary	Recommendations
Scale walkway			
<ul style="list-style-type: none"> Walkway in scale area 	x	850 mm height, guard rails not required provided a risk assessment has been completed and the width is greater than 450mm	
Ramps			
Comply with the Australian Standard AS1657 – 1992 and consideration given to the Work Health & Safety Regulation, 2011			
Engineer's design certification statement before installation	O	Historic facility, most likely uncertified and not required as ramp is of solid construction	
Slope 12 degrees maximum on all cattle ramps	✓✓	Actual slope 7 degrees (1:8)	
Minimum 1.5m length level landing platform	x	Approx 1000 mm	
Portable or adjustable ramps	x	Ramps not portable or adjustable	
Gap between the loading ramp and floor of the stock crate covered with flaps and filler boards	xx	No control measure evident	
Non-slip materials		The cattle ramp is concrete solid	
Level paved areas for truck rear wheels	✓✓		
Level ground	✓✓		
Ramp walls blanked in with smooth internal cladding (in Victoria ramp sides must be fully sheeted)	O	Minimal compliance, not all races. Applied to external rather than internal face	Not major issue due to limited use, but if use increases may need to upgrade
Entry and exit gates with a minimum width of 600mm for personal access and walkways both sides of each ramp	xx	Width 550mm, not steps, expanded metal but only on one side	
Ramp surface			
<ul style="list-style-type: none"> Concrete steps with rise of 100mm 	xx	Not evident	
<ul style="list-style-type: none"> Tread width of 450mm or cleats 25mm by 25mm spaced 400mm apart on a concrete surface 	xx	Not evident	
<ul style="list-style-type: none"> Non-slip surface 	✓		
<ul style="list-style-type: none"> Easily cleaned 	✓		

Industry Requirement	Compliance Ranking	Commentary	Recommendations
Ramp race dimensions			
<ul style="list-style-type: none"> Width of 800mm 	✓	Width 800mm	
<ul style="list-style-type: none"> Top rail height minimum of 1650mm measured from ramp surface 	✓	Height 1650mm-1709mm	
<ul style="list-style-type: none"> Preferred height 1800mm 	×	Height 1650mm-1709mm	
Ramp Race Construction (including draft races)			
<ul style="list-style-type: none"> At the bottom of each ramp 2000mm x 800mm section of race joining the forcing yard and the loading ramp 	×	None	
Ramp docking facilities (rear loading)			
<ul style="list-style-type: none"> Self-aligning bumper bridging the gap between the race ramp and the truck 	xx	None evident	
<ul style="list-style-type: none"> Adjustable side panels to fit against truck 	xx	No control measure evident	
Selling pens			
Access and viewing of livestock by facility staff, buyers and agents	✓✓		
Adequate space for animals to access water	✓✓		
Livestock movement in accordance with recommended stock densities for the welfare of livestock at saleyards	✓✓		
Soft flooring	xxx	Not provided, but cost prohibitive to install	Continue to manage facilities to avoid livestock spending extended periods on concrete flooring
Average space per animal comply with Model Code of Practice for the Welfare of Animals – Animals at Saleyards SCARM Report 31, 2002 http://www.publish.csiro.au/Books/download.cfm?ID=367	✓	Infrequent use	
Recommended dimensions			
<ul style="list-style-type: none"> Twice the width as depth (approximately 6x3m) 	✓✓	6.6m x 5.4m	
<ul style="list-style-type: none"> Laneway width 2.9m 	✓✓	Width 2.8m – 2.9m. Gates in pens are appropriately sized to close off laneway	
<ul style="list-style-type: none"> Gates in dividing pens to allow for larger lot size and cleaning purposes 	xx	Nice to have but an existing facility	

Industry Requirement	Compliance Ranking	Commentary	Recommendations
Holding pens, forcing yard and drafting races			
Graded not less than 1 to 50 to drains	xx	Flat without perimeter drains	
Average space per animal comply with Model Code of Practice for the Welfare of Animals – Animals at Saleyards SCARM Report 31, 2002 http://www.publish.csiro.au/Books/download.cfm?ID=367	O	Potential shortage of space at sales with large holdings (over 1000).	Consider setting a maximum capacity for sales, to ensure compliance with space requirements
No protrusions	✓✓		
Soft flooring	xxx	Not provided	Cost prohibitive
Pen dimensions			
<ul style="list-style-type: none"> • Easy access to water 	✓✓		
<ul style="list-style-type: none"> • Minimum gate opening widths should be 2400mm 	✓✓	2600mm – 2800mm	
<ul style="list-style-type: none"> • The top rail heights minimum of 1650mm measured from the yard surface (preferred 1800mm) 	✓	1650mm – 1700mm	
Forcing yard and loading ramp gates to be ‘slam shut’ spring loaded type (no protrusions) with person access gate leading to the loading race catwalk	O	Yes, but 550mm wide	
Receival yards			
Configurations and dimensions to be merits based	✓✓		
Soft surfaces to be covered with appropriate material (e.g. sawdust, wood chips, matting etc) to minimize hazard from effluent contained in the material.	x	No additional material provided	
Hard surface areas prefer grooved surface			
<ul style="list-style-type: none"> • Cleats: recommended 50mm by 50mm, spaced 400mm apart and at a 90 degree angle to the direction of livestock movement 	✓	150mm x 150mm	
Truck wash areas (recommended for saleyards conducting 25 or more sales a year)			
Outcome required: Transport wash areas that enable effective cleaning of vehicles, prevent environmental contamination and eliminate any other animal welfare and biosecurity risks			
Concrete paving	✓✓	Small tray truck (B Double with difficulty)	
20 metres (maximum sized semi-trailer)	x	15.4m long x 4.7m wide concrete	Consider improving access

Industry Requirement	Compliance Ranking	Commentary	Recommendations
		surface	
B-doubles	x	Not provided for but can be used with difficulty	Consider improving access
Graded to a drainage inlet	✓✓		
Edge kerbing greater than 300mm	✓	Kerbs provided, 200mm	
Water of adequate pressure and volume	✓✓		
Wastewater management disposal to minimize risk to environment, and comply with local and State regulations	✓		Check containment and treatment of solid waste
Signage displaying operating hours and instruction for use	x	Minimal signage provided	Install additional signage displaying operating hours and instructions for use
Water recycling	✓	Water is recycled for cleaning of pens	
Provision for livestock transporters to clean vehicle prior to the loading of any livestock	✓✓	Truckwash available	
Amenities			
Outcome required: Provide suitable facilities that meet the needs of patrons, vendors, agents, buyers, carriers and anyone else that conducts business at the saleyard			
Waste disposal	✓		
Hygienic toilet	✓		
Washing facilities for transport operators, general public and staff	✓	Amenities block	
Disabled facilities	xx	None	
Building Code of Australia and the Health Act compliance	?	Not cited	Council to check
Lighting compliant with Work Health and Safety requirements within the saleyard complex	x	Minimal lighting provided	Consider installing attentional lighting as required
Office accommodation			
<ul style="list-style-type: none"> telephone, internet access, computer and fax facilities 	✓	Provided in office	
<ul style="list-style-type: none"> emergency telephone (locations clearly identified) 	xx	None provided	Install emergency telephone and/or highlight location
<ul style="list-style-type: none"> separate material storage area for cleaning and maintenance equipment 	O	Cleaning and maintenance equipment stored off-site at Council depot	

Industry Requirement	Compliance Ranking	Commentary	Recommendations
Canteen to comply with all local health regulations	O	External voluntary catering (part of cultural tradition)	
Operational requirements			
Outcome required: Saleyards are managed and operated in a way that is acceptable to the general public, stakeholders, and in a manner that safeguards human safety, food safety and animal welfare			
Hazardous materials stored in lockable shed	O	Lockable facilities are available, but need to ensure they are used	Ensure all hazardous materials are stored in lockable shed
First aid facilities			
Sign posting of restricted areas in accordance with the Saleyard Work Health and Safety Manual	xxx	No signage	Install sign posting of restricted areas
Overhead powerlines entry and exit and in proximity to elevated work areas	✓	None	
Comply with the National Livestock Identification System (NLIS) National Business Rules	O	Minimal compliance	
Provision for 24 hour per day emergency unloading	✓		
Saleyard security - elimination of stray dogs or other nuisance animals	x	None provided	
Weigh-scale operations			
Outcome required: Regular authorised scale calibration checks are undertaken to ensure the accuracy of weighing at all times			
Accuracy and calibration	x	Despite being verified regularly, scales are possibly reaching the end of their useful life	Consider purchasing new scales to ensure accuracy and transparency
Transparency	x	Scale readings are not visible to all parties	Consider purchasing new scales to ensure accuracy and transparency
Saleyard operator responsibilities			
Outcomes required: the saleyard operator carries out their responsibilities to ensure the efficient operation of the saleyard complex, and to optimise animal welfare and human safety			
Licencing agreement with each agents, including duties and responsibilities	xx	Licencing agreements not cited	Establish licencing agreements, ensuring legal risks are managed

Industry Requirement	Compliance Ranking	Commentary	Recommendations
Sale terms and conditions	x	Terms and conditions not cited	Establish and advertise standard sale terms and conditions, as set out by Australian Livestock and Property Agents' Association (ALPA)
Training and staff competency			
<ul style="list-style-type: none"> Competent person(s) available or on-call for relevant duties, including Worksafe Health & Safety 	?	Council staff appear competent in saleyard operations, however need to ensure ongoing competency in WHS	Review staff competency in WHS
<ul style="list-style-type: none"> Nominated person(s) competent in humane destruction of livestock and available as required 	?	Unclear from evidence	Council to review and nominate person(s) as required

4. Selling facilities

4.1 Commercial arrangements and level of use

Over the past nine years there have been five agents that have held a sale at the saleyards. In the vast majority of these years there has only been a single sale held by Costello Rural. The current fee schedule is shown below in Table 7. The agents that have conducted sales and the number of sales they have had since 2006/7 can be seen in Table 8.

Table 7 Sale day fee schedule

Fee type	(\$)
Agent Fee (\$ per sale)	\$ 110.00
Yard Dues (\$ head)	\$ 5.00
Scanning Fee (\$ head)	\$ 2.50
Tagging (\$ per head)	\$ 25.00

Table 8 Agent sales 2006/7 – Current

Agent	# sales
Costello Rural	9
Schubert & Boers	1
Landmark Benalla	1
M J Cooper	1
Paul & Scollard	1

4.2 Revenue and costs

Livestock sales provide approximately 24% of the total saleyard income. Stock numbers through the yards dropped significantly from 2006/7 to 2007/8 and remained low until 2014/15 where they rose to 1156 head in the first half of the year. Figure 12 below shows the financial performance of the selling facilities only. The results show the impact of rising maintenance and electricity costs.

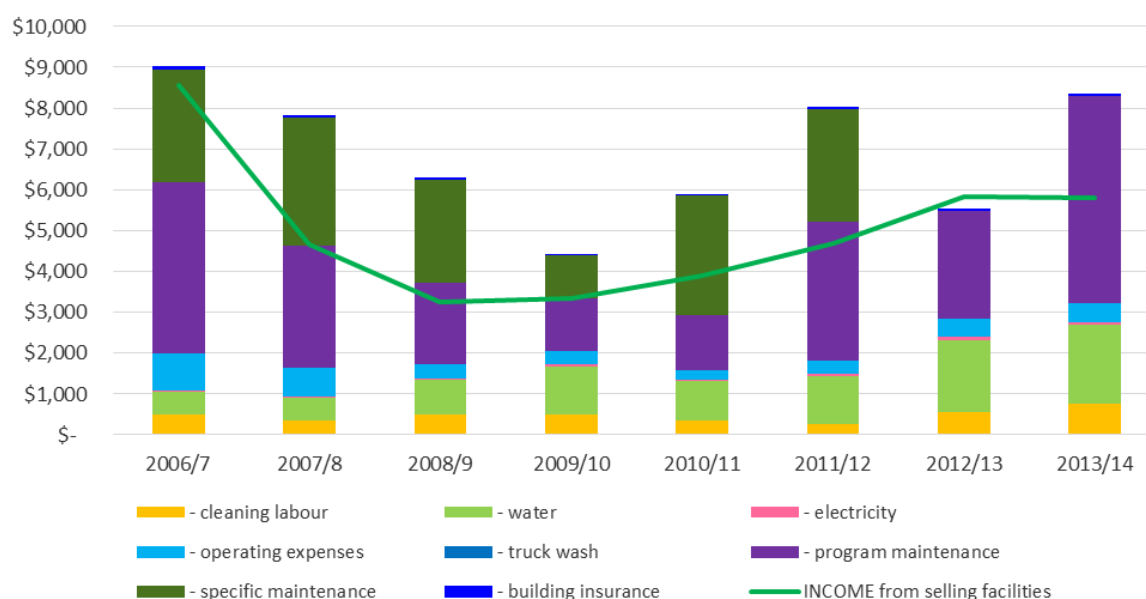


Figure 12 Financial performance of selling facilities

4.3 Condition of facilities

The review of selling facilities (Section 3) found the infrastructure to be generally in good condition and fit for use, given the number of sales and yarding numbers. In recent years the facilities have been upgraded to meet a range of WH&S and animal welfare requirements, particularly around the selling walkways.

With the exception of a single row of dirt floor receival yards, the facilities have concrete flooring. While the Code of Practice recommends all saleyards provide soft flooring, it is generally accepted that this will be cost prohibitive for small saleyards such as Corryong.

Issues identified or potential improvements

The review of the facilities, combined with stakeholder consultation identified the following potential improvements.

- Install additional dirt floor receival yards
- Install infirmary yard for sick animals, veterinary treatment or humane destruction
- Install a new crush which is more user friendly
- Install a circular forcing race which is more user friendly
- Consider setting a maximum capacity for sales, to ensure compliance with space requirements
- Nominate person(s) competent in humane destruction of livestock and ensure availability as required
- Install sign posting of restricted areas
- Install additional signage displaying operating rules and instructions for use
- Install emergency telephone and/or highlight location
- Ensure all hazardous materials are stored in lockable shed
- Establish licencing agreements, ensuring legal risks are managed
- Establish and advertise standard sale terms and conditions, as set out by Australian Livestock and Property Agents' Association (ALPA).

4.4 Stakeholder feedback

Stakeholders expressed mixed views about the viability of the selling facilities. While acknowledging the overall trend away from selling via small saleyards, many stakeholders believe the Corryong saleyards could support more sales than at present, particularly given the increased selling costs at Barnawartha (transport and yard dues), likely to equate to at least an extra \$10 per head.

The main concerns stakeholders raised with the selling facilities were the lack of access to all agents, concrete flooring affecting cattle hooves when held for extended periods, and difficulty attracting sufficient buyers on a regular basis. Despite these issues, the large majority of agents intend to hold more sales at Corryong in the future, particularly when the current lease ends. Agents generally thought the facility could support about 6 sales per annum.

Table 9 Summary of stakeholder likes and dislikes about selling facilities

Item	Summary of feedback
Level of use	<ul style="list-style-type: none"> • Currently only one sale is held per annum
Likes	<ul style="list-style-type: none"> • Low selling costs, particularly when trading amongst locals • Convenient location • Ability to market local stock • Generally well maintained • Atmosphere
Dislikes	<ul style="list-style-type: none"> • Lack of access for agents • Concrete floors • Small yardings, difficult to attract enough buyers to sales
Opportunity to increase use	<ul style="list-style-type: none"> • Agents generally interested in holding more sales at the facility particularly when current lease ends • Opportunity to hold horse sales as part of the MFSRF
Potential improvements	<ul style="list-style-type: none"> • 12 more dirt floor receival yards • An infirmary yard for sick or dangerous animals, or for veterinary treatment • New crush • Circular forcing race

Figure 13 provides the results from producers, when surveyed on the proportion of cattle turnoff they would expect to sell via the Corryong Saleyards over the coming 5 years. The results demonstrate the spectrum of producer selling intentions with the majority of producers surveyed expect to sell fewer than 25% of their cattle via the saleyards. Many producers are not expecting to use the facilities at all, while others expect to sell all of their cattle via the facilities.

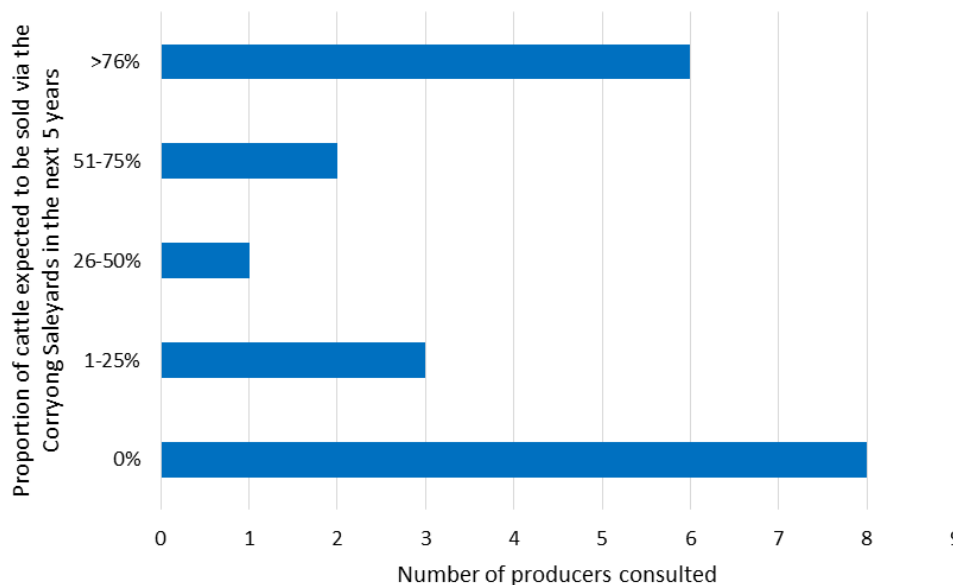


Figure 13 Producer intentions to sell via the Corryong Saleyards

4.5 Future opportunities for electronic sales or integration with the NVLX

GHD were asked to specifically investigate innovative ways in which the Corryong saleyards could integrate services with the NVLX for example by taking advantage the electronic sales capability which has been flagged at the Barnawartha facility.

Consultation with producers and agents suggests that the uptake of electronic sales is low in the Upper Murray, with more traditional sale methods deemed to deliver more value. When electronic sales are undertaken, producers generally prefer to hold cattle on-farm until collection to avoid additional handling or loss of condition.

Discussions with the NVLX did not reveal any clear opportunities to integrate and utilise the Corryong Saleyards in its operations, beyond having agents or carriers consolidate loads before sending to Barnawartha. The NVLX confirmed its longer term plans to facilitate electronic sales, but could not foresee this service involving the use of the Corryong yards.

In summary no clear or major opportunities were identified to utilise the saleyards for electronic sales or through integration with the NVLX. The facility will however continue to be utilised for loading, unloading, holding and consolidating livestock.

5. Weighing and loading facilities

The weighing and loading facilities comprise the scales, loading ramp and associated infrastructure. Outside of sale times, these facilities are used on a weekly basis.

5.1 Commercial arrangements and level of use

The scales are currently solely operated by J A Cooper and Co. and have been for the previous thirty years. The thirty year contract expires in June 2015 at which point the Council will have to consider the options for the future. The scales are currently processing approximately 3,500 head per year with a break-down of 82% cows and 18% calves. Cows are being weighed at \$5.50 per head and calves at \$1.10 each.

The scale operation has been in decline over the past 8 years and has only recently started to increase throughput. The scales account for approximately 67% of the income and 47% of the saleyard expenses.

5.2 Revenue and costs

Figure 16 below shows the financial performance of the weighing and loading facilities only, with costs exceeding revenue in the previous three financial years.

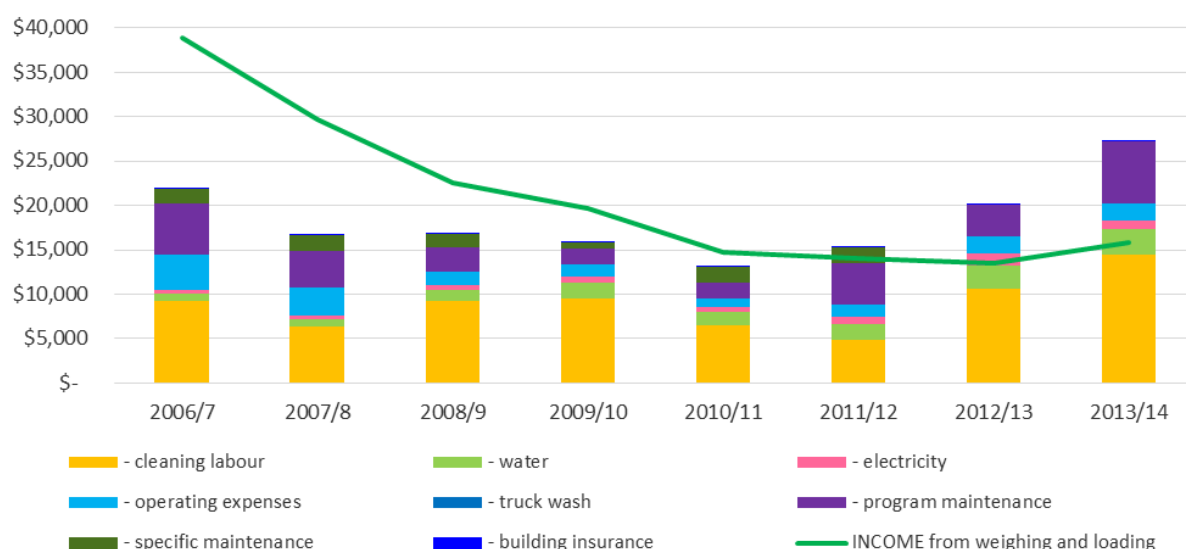


Figure 14 Financial performance of the weighing and loading facilities

5.3 Condition of facilities

Consistent with the selling facilities, the weighing and loading facilities are in good condition and fit for use, with a range of WH&S upgrades being made in recent years, particularly around the loading ramp.

The current truck access is reasonably tight.

The currently installed scales are estimated to be over 20 years old and possibly reaching the end of their useful life, particularly given the improvements in technology which have occurred over this time.

Council currently has no way of verifying livestock throughput numbers in order ensure collection of yard dues. The installation of an NLIS reader, race scanner or CCTV would help Council cross check and verify reported numbers.

Issues identified or potential improvements

The review of the facilities, combined with stakeholder consultation identified the following potential improvements.

- Install new scales to ensure accuracy and transparency (the scale platform could be retained)
- Install pneumatic gates to the scale platform
- Install NLIS panel reader, race scanner or CCTV to ensure cattle can be counted and fees collected.

5.4 Stakeholder feedback

Stakeholders valued the ability to use the yards for loading and weighing cattle, particularly when consolidating and preparing loads for transport to other saleyards, over the hooks, feedlots or other producers. Similarly the yards are valuable for unloading cattle when returning from sales with cattle belonging to a number of different producers, who may not have on-farm loading facilities.

Despite the convenience, many agents, transporters and producers have been reluctant to make full use of the weighing and loading facilities under the current exclusive lease arrangement. In some cases agents, transporters and producers have invested in alternative facilities to weigh and load stock (e.g. at the old abattoir).

Some stakeholders questioned the need to weigh individual animals due the following:

- Most abattoirs now pay on a dressed weight basis, therefore not requiring cattle to be weighed before slaughter
- When transporting cattle to northern feedlots, carriers are increasingly using weighbridges in Wodonga, Barnawartha or elsewhere to obtain a tare and gross weight (before and after loading).

However, overall stakeholders generally expected the demand for weighing and loading to increase, particularly if access is provided to all. As the cessation of the current lease and should the lease not be renewed, Mr Cooper will remove the scales in accordance with the lease agreement, as they remain his asset. This does not appear to be a major impediment as many stakeholders have suggested that new scales (possibly with pneumatic gates) would be needed to ensure accuracy and transparency.

Table 10 Summary of stakeholder likes and dislikes about loading and weighing facilities

Item	Summary of feedback
Level of use	<ul style="list-style-type: none"> • Current leasee reported using the scales once a week, and other times on request.
Likes	<ul style="list-style-type: none"> • Convenient selling option • Useful for consolidating smaller lots into one load
Dislikes	<ul style="list-style-type: none"> • Lack of access for agents • Concrete floors • Scales are old and there is no transparency
Opportunity to increase use	<ul style="list-style-type: none"> • Improve access for all users
Potential improvements	<ul style="list-style-type: none"> • New scales (platform may be OK) • Pneumatic gates • NLIS panel reader, race scanner or CCTV to ensure cattle can be counted and fees collected

6. Truck wash

6.1 Commercial arrangements and level of use

The truck wash is available for public use at a rate of \$1 for 2 minutes. The facility is currently coin operated, and is used predominately by local livestock transporters, producers and for Council vehicles (including the garbage truck).

Current issues with the truck wash include:

- Drainage can become blocked and requires cleaning when used on very muddy vehicles or the garbage truck
- Council staff re-use coins from the facility to clean Council vehicles, making it difficult to measure usage and cashflow.

The truck wash represents only a small portion of both income and expenses accounting for 9% and 13% of these measures respectively.

6.2 Revenue and costs

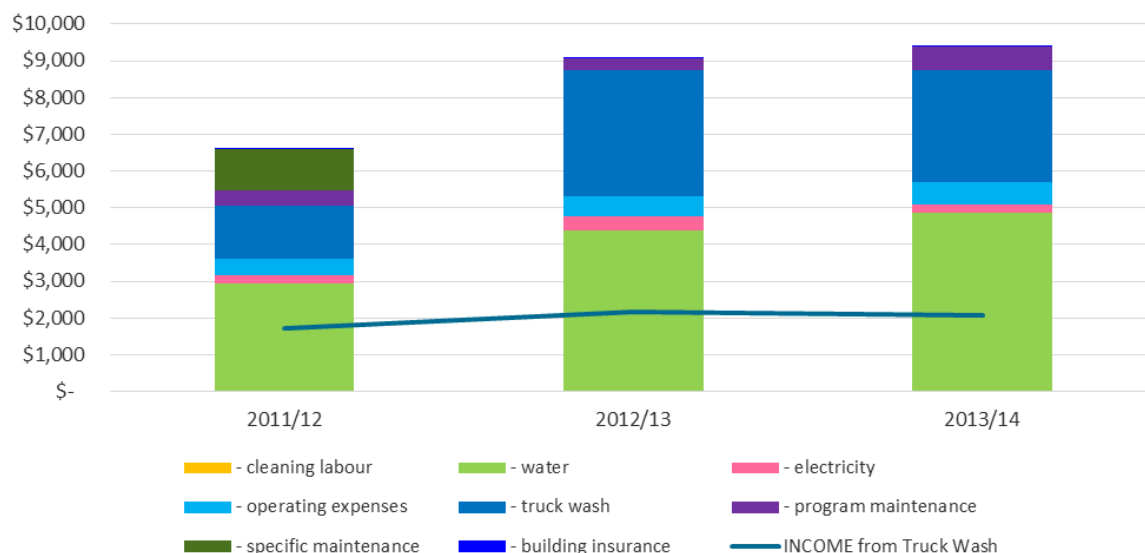


Figure 15 Financial performance of truck wash facilities

6.3 Condition of facilities

The truck wash is in a relatively good condition. The facility is well designed for servicing smaller tray trucks and vehicles. It is difficult to access the facility with larger semi-trailers or B Doubles.

The truck wash is coin operated, which does not suit some transport users.

Issues identified or potential improvements

- Install the Avdata coinless system, while retaining the coin operated option
- Consider ways to improve access to larger trucks
- Improve signage for usage instructions.

6.4 Stakeholder feedback

The truck wash facility is generally highly valued by livestock carriers, agents, producers and the community. The facility is also regularly utilised for cleaning Council vehicles, particularly the

garbage truck. Smaller carriers and other less frequent users are generally satisfied with the current coin operated system, however installing the coin-less Avdata system in parallel, would significantly increase use with larger transporters. One transporter anticipated using the truck wash 17 times per week if Avdata was installed. Based on a conservative average cost of \$15 per wash, this equates to an additional \$255 per week or \$13K per annum. This more than covers the cost of installation (\$3-4K)

Table 11 Summary of stakeholder likes and dislikes about truck wash facilities

Item	Summary of feedback
Level of use	<ul style="list-style-type: none"> • Over \$2000 per annum in revenue collection • Estimated to be used approximately 20 times per week (including 3-4 times per week for the Council rubbish truck). However difficult to assess usage given no ability to count vehicles numbers and coins being re-used to wash Council vehicles
Likes	<ul style="list-style-type: none"> • Convenient • Important service for livestock carriers and the community • Coin operated
Dislikes	<ul style="list-style-type: none"> • Coin operated • Difficult for B Doubles • Some vehicles cause a mess and blockages • Council not accounting for internal use, reducing cashflow position
Opportunity to increase use	<ul style="list-style-type: none"> • Installing the Avdata system, in parallel with coin system • One transporter anticipated using the truck wash 17 times per week if Avdata was installed.
Potential improvements	<ul style="list-style-type: none"> • As above

7. Associated uses and community benefits

7.1 Additional community uses

Stakeholder consultation identified a range of additional uses which the facility provides to local businesses and the community, particularly during the annual Man from Snowy River Festival. These uses are discussed below with full detail contained in Appendix A.

7.1.1 Dump point

The dump point is available for the safe disposal of waste from campervans and other self-contained vehicles. It is particularly important during the festival period as approximately 1000 self-contained vehicles use the site.

7.1.2 Amenities block

The amenities block on the site is available for public use and is particularly useful during festival time. Without these amenities, festival organisers would need to hire additional toilets. However no shower facilities are available.

7.1.3 Camping

During the festival period, the site is provided for campers to use as required, particularly when space is limited elsewhere.

7.1.4 Horse use

During the festival period, the yards are used for loading, unloading and holding horses, particularly for participants in the Rileys Ride event.

7.1.5 Corryong Country Women's Association (CWA) catering

The Corryong CWA provides catering to attendees on sale days. This is an important annual fundraising event for the organisation.

7.2 Benefits to local business and community

All stakeholders surveyed were asked to assess the potential impact on local business and community, if the saleyards were to close. The results (Figure 16 below) indicate that major impacts are anticipated particularly by local producers and community stakeholders.

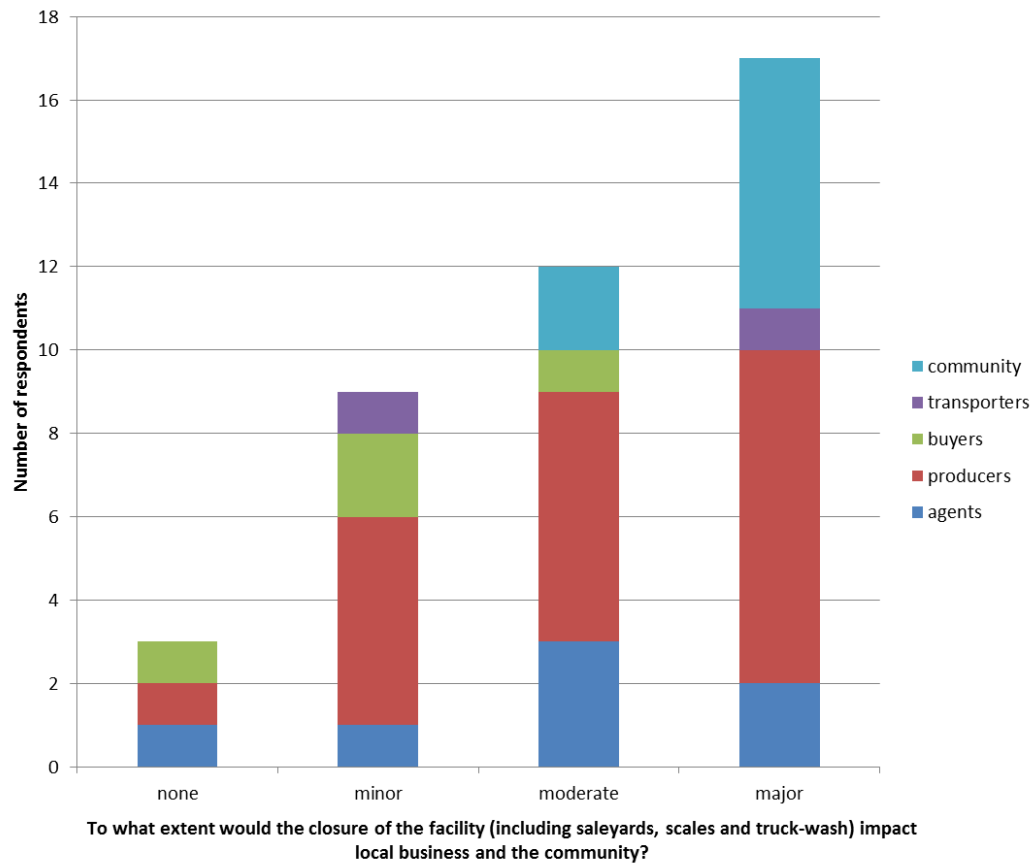


Figure 16 Potential impact to local business and community from saleyard closure by stakeholder type

8. Options analysis

The following four potential options for the future management of the facilities were evaluated with input from Council. These options are summarised in Table 12.

Option 1 - High investment

The high investment option involves Council investing in all three revenue streams to encourage increased use of the facility. Findings from stakeholder consultation suggest that in order to attract more sellers and buyers to the yards there would need to be significant upgrades to the facility. Table 12 highlights the specific upgrades that were mentioned and the likely cost associated with installing them.

Option 2 - Low investment

The low investment option looks at council leaving the yards basically as they are and investing in new scales and operating system for the truck wash. Table 12 shows the cost of each of the potential upgrades.

Option 3 – Weighing and loading only

The weighing and loading only option involves council ceasing all livestock sales, while maintaining the site as a weighing and loading facility only. As per the low investment option, additional investments would be made to the scales and truck wash.

Option 4 – Sell facility

This option would involve council selling the facility, most likely to a private individual, company or syndicate who may/may not continue to operate the facility as a private concern.

Each of the above options were evaluated by modelling future cashflow and a multi-criteria analysis exercise conducted with Council. The results are discussed below.

8.1 Economic modelling of future cashflow

Estimates were obtained for the potential improvements and assumptions made about the potential impact on throughput, revenue collection and costs. Estimated annual operating cashflows were calculated over the coming 10 years, and the Net Present Value (NPV) of the investment calculated (applying a 7% discount rate).

The results (Table 12) suggest the facility could return to a positive cashflow position under the High or Low investment options, however care would be required to ensure that investments can be repaid through increased revenue. Option 3, maintaining the site as a weighing and loading facility returns a lower cashflow due to the reduced revenue from sales. Option 4, sell facility, would deliver to Council an upfront economic gain via revenue from the sale.

It is important to note that the results are highly dependent on the assumptions applied, particularly the assumed changes in throughput.

Table 12 Economic evaluation of options

	Investments	Assumed change in throughput and costs	Evaluation of cashflow
1. High investment	<ul style="list-style-type: none"> Additional holding yards, new crush and circular race, scales with pneumatic gates, NLIS scanner and Avdata Truck wash system Estimated cost: \$97,165 	<ul style="list-style-type: none"> 6 sales per annum 50% increase in throughput and fee collection 	<p>Annual cashflow of \$20K achieved after initial capital outlay of \$97,165</p> <p>NPV of investment = \$22,955</p>
2. Low investment	<ul style="list-style-type: none"> New scales with pneumatic gates, NLIS scanner and Avdata Truck wash system Estimated cost: \$27,500 	<ul style="list-style-type: none"> 3 sales per annum 40% increase in throughput and fee collection 	<p>Annual cashflow of \$3K achieved after initial capital outlay of 27,500</p> <p>NPV of investment = -\$8,132</p>
3. Weighing and loading only	<ul style="list-style-type: none"> New scales with pneumatic gates, NLIS scanner and Avdata Truck wash system Estimated cost: \$27,500 	<ul style="list-style-type: none"> No sales 40% increase in throughput and fee collection 	<p>Annual negative cashflow of \$2K achieved after initial capital outlay of \$27,500</p> <p>NPV of investment = -\$34,568</p>
4. Sell	<ul style="list-style-type: none"> Estimated value of \$100K-200K 	<ul style="list-style-type: none"> Privatise - May/may not continue to operate Loss of Council control 	<p>Council would receive funds from the sale of the facility, estimated to be valued at between \$100K-200K (based on a range of estimates from stakeholder consultation)</p>

Figure 17 below presents the historical and projected cashflows under the first three options.

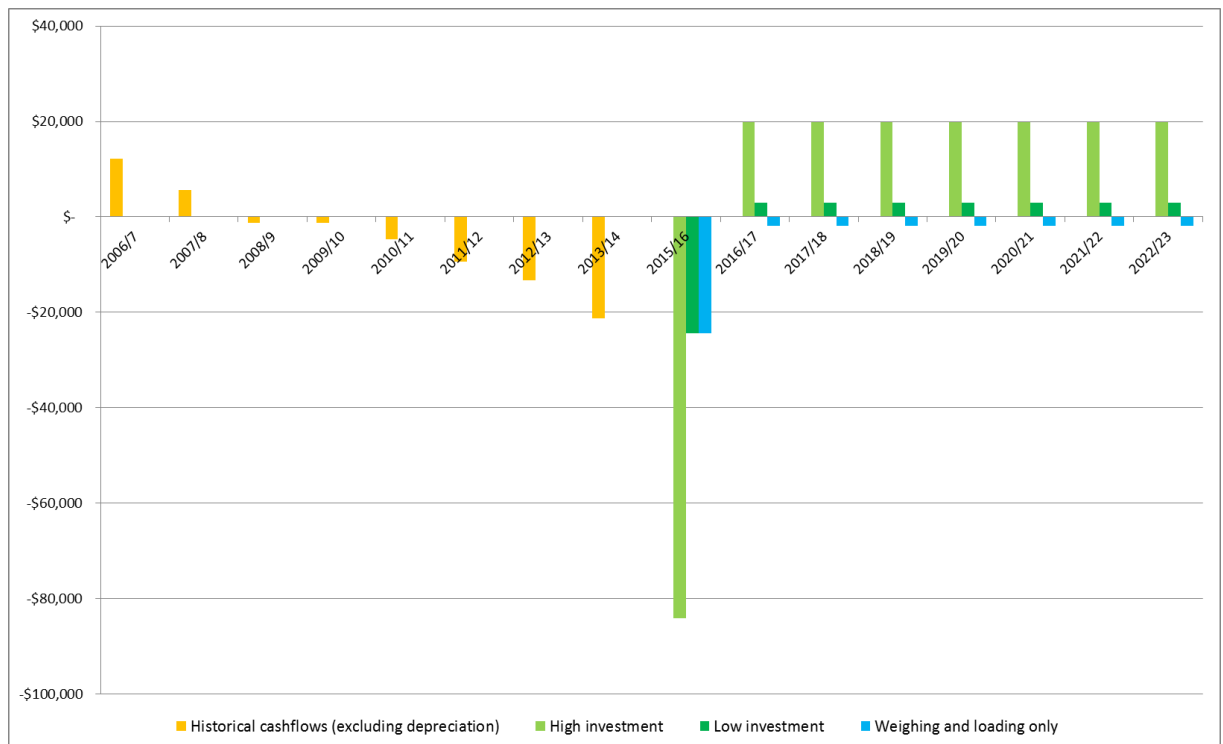


Figure 17 Cashflow modelling different investment options

8.2 Multi-criteria analysis exercise

To further evaluate the options, a workshop was conducted with council in which each of the four options were scored according to the following criteria:

- Alignment with Council Strategy
- Economic return (to Council)
- Practicality
- Risk
- Public economic benefits
- Public social benefits.

Weightings were determined for each criteria based on the average weightings assigned from each Councillor. Table 13 below presents the overall results from the exercise. The full results from the analysis are provided in Appendix B.

Table 13 Results from Council multi-criteria analysis exercise

	Multi-criteria analysis score (see full results in Appendix B)
1. High investment	73%
2. Low investment	61%
3. Weighing and loading only	48%
4. Sell	72%

The results show the High Investment and Sell options leading the Low investment and Weighing and loading only options.

The results from the above options analysis exercises were discussed with Council at the workshop, and a preferred approach developed (outlined below).

9. Recommendations

Overall strategy

Consultation, particularly with local agents, found a clear desire to utilise the saleyards for additional sales (3-6 a year) and to increase weighing and loading activities. The review also found opportunities to improve revenue collection and reduce costs.

Based on these assumptions, our economic analysis suggests the facility can have a positive operating cashflow, separate to the depreciation and capital replacement costs, however it will remain vulnerable to any unforeseen costs due to regulatory changes or required infrastructure upgrades.

On this basis Council would be advised to give the saleyards the opportunity to operate with more open access, beyond the current lease arrangements, to see if it can return operations to a positive cashflow position.

Recommendation 1: Towong Shire Council should commit to operating the Corryong Saleyards beyond the current lease, with a view to making the facility available to all agents, livestock transporters and producers. Council's commitment to the saleyards should be conditional on the facility returning positive operating cashflow, due to increased throughput, modest fee increases, improved cost control and revenue collection. If after the 2-3 years the facility continues to return negative cashflow, or if the facility is to incur large unforeseen costs due to regulatory changes or required infrastructure upgrades, the facility should be sold.

Management and oversight

The establishment of an Advisory Committee to oversee management of the saleyards was recommended in both previous reports into the Corryong Saleyards (see section 2.1), and is recommended in The Australian Model Code of Practice for Livestock Saleyards and Lairages:

It is recommended that saleyard have a system in place such as a Saleyard Advisory Committee as part of the overall management strategy.....The saleyard operator or their agent shall be responsible for the coordination of and continued functioning of a Saleyard Advisory Committee, or equivalent thereof. The committee should include (but is not restricted to) representation from buyers, agents, vendors, livestock carriers and council representatives, with the saleyard manager in attendance. (Section 3 Operational Requirements)

Most Council-owned saleyards operate under the direction of Advisory Committees established in accordance with Section 86 of the Local Government Act (1989), also known as Section 86 Committees. This arrangement allows Councils to delegate certain management decisions and responsibilities.

In the case of the Corryong Saleyards, the establishment of a Saleyards Management Committee would assist in building “ownership” amongst saleyard users (agents, transporters and producers). Consultation found that many of these stakeholders have innovative ideas about how to improve the cashflow of the facility. The majority of agents consulted expressed an interest in participating in a Management Committee however facilitating the Management Committee in the context of competing interests of agents (and other parties on the committee) may be a key challenge. The appointment of an independent chair for the committee may help manage any potential conflicts.

Recommendation 2: Towong Shire Council should seek to establish a Corryong Saleyards Management Committee, under section 86 of the Local Government Act (1989). The Management Committee should include the following representatives:

- **Two livestock agents;**
- **One producer;**
- **One transporter; and**
- **Two Council representatives (one operational staff member and one senior manager).**

In addition to these six members, Council should seek to appoint an independent chair, to avoid conflicting interests.

The Management Committee should be charged with overseeing operational decisions around the saleyards, on behalf of Council, with a clear objective of ensuring the facility returns a positive cashflow position, through increased throughput, improved revenue collection and reduced costs.

Fees for use

Overall, there is an opportunity to amend the current fee structure to better reflect the costs associated with running the facility.

Yard dues at the Corryong Saleyards have remained largely unchanged (\$5 per head for adult cattle, and \$2.50 for calves) for many years. In this time the relative costs of operating the saleyards have increased significantly. Consultation found that selling costs (including both yard dues and transport costs) was an important consideration for producers and a key advantage for the Corryong Saleyards. GHD believe a modest increase in yard dues is necessary for the facility to return a positive cashflow. This increase would most likely be accepted by producers, particularly given the increased costs associated with selling via the Barnawartha facility (with yard dues of up to \$20 per head) and the higher prices being received at present.

The costs associated with cleaning the yards after use have increased significantly in recent times. However, the current fee structure does not always ensure cleaning costs are covered in the fees collected. The introduction of a cleaning fee for yard use (replacing the current flat fees for sales), would ensure cleaning costs are covered and send a price signal to encourage users to limit the use of additional areas where possible.

Recommendation 3: Yard dues should be increased to levels which ensure operating and maintenance costs are covered (e.g. to \$6-8 per head (including GST) for adult cattle, and half this rate for calves).

In addition, Council should introduce a flat fee for yard use, aimed at covering cleaning costs. This fee should be applied based on the proportion of the yards requiring cleaning (e.g. \$150 for use of half the yards, \$300 for use of the whole yards).

Suggested improvements

A review of the current facilities and consultation with stakeholders have identified a number of potential improvements, listed and prioritised below. The higher priority improvements are those which will likely pay for themselves in the first few years, through improved throughput, revenue collection and/or reduced costs. The lower priority improvements are those which are less urgently required or may take longer to pay off.

Consultation found that some regular yard users (agents and transporters) would be willing to contribute funding towards improvements.

Recommendation 4: The Saleyard Management Committee should consider the following targeted investments to make the facilities easier to manage, with reduced costs and improved revenue collection:

Higher priority improvements

- **Replace current scales with newer technology**
- **Install NLIS scanner on loading ramp**
- **Install Avdata truckwash system, while retaining coin operated option (further information on this system is available in Appendix C)**
- **Install a new water tank and pump to improve water pressure when cleaning yards with mains water. Alternatively invest in an portable pressure cleaner.**

Lower priority investments

- **Install additional dirt floor holding pens**
- **Install a more user friendly cattle crush**
- **Install a circular drafting race**
- **Install pneumatic gates on the scales**
- **Install an infirm area for sick animals, veterinary treatment or humane destruction.**

In addition to the above investments, consideration should be given to the recommendations contained in the review of facilities contained in Section 3.

Opportunities may exist for agents or transporters to contribute some of the costs for these improvements.

Managing legal risks

Operating saleyards carries significant legal risk, particularly due to injury or death. While the Corryong Saleyards are covered in the Council's public indemnity insurance policy, it would be prudent for Council to establish standard conditions and protocols to ensure yard users are aware of their obligations when acquiring the use of the yards. These conditions and protocols could be part of a formal contract and/or communicated in other ways (e.g. distributed leaflets or signs).

In establishing the Saleyards Management Committee, Council should ensure the Committee has appropriate legal indemnity, under the Council's insurance policy.

Recommendation 5: Council should seek to ensure legal risks are appropriately managed by:

- **Establishing appropriate governance framework for the Section 86 Committee to manage and mitigate risks to Council**
- **Establishing conditions of indemnity covering the Saleyard Management Committee**
- **Establishing standard conditions and protocols to ensure yard users are aware of their obligations when acquiring the use of the yards. These conditions and protocols could be part of a formal contract and/or communicated in other ways (e.g. distributed leaflets or signs).**

10. References

ABARES (2012). *Australian beef: Financial performance of beef cattle producing farms, 2009-10 to 2011-12*. Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra.

Genskills (2005). *Corryong Saleyards Report to Towong Shire*. Report prepared for Towong Shire Council.

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Saleyards Operators Australia (2014). *Australian Model Code of Practice for Livestock Saleyards and Lairages*, Saleyard Operators Australia.

Shaw & Associates (2012). *Strategic Analysis and Direction for the Corryong Saleyards*, Report prepared for Towong Shire Council.

Appendices

Appendix A – Consultation Summary

Table 14 Livestock Agent Response Summary

	Response
Interviews	8
Business overview	
Cattle sold per annum (head)	Range from 3,000-15,000 head per annum
Saleyards (%)	20% to 80%
Over the hooks	10% to 55%
Electronic	0-25%
Other private or paddock sales	10-25% particularly dairy heifers for live export
Selling facilities	
Use	One agent held a sale in the last 12 months
Like	<ul style="list-style-type: none"> • Location, size, parking, shade, local branding • Good set of working yards, handy for a range of activities, including consolidation of mobs • Good atmosphere, old fashioned yards. Okay for store sales. • Serves local community well for store sales • Niche outlet • "It's a good facility that suits the local livestock community. Combined with scales, gives producers more options for selling as they know prices better" • Backbone of our business • Local facility will be more important with Wodonga move to Barnawatha • Good facility that caters for all types of cattle and is especially good for those with smaller herds who sell bits and pieces • Available year round • Council good at doing repairs if any issues • Soft flooring is provided by current dirt yards (12) and these are all that is required. Do not need to spend extra money • Good, local facility, user friendly, well supported by locals. But we have not used in recent years
Dislike	<ul style="list-style-type: none"> • Receival yards, crush is dangerous, no handling for sick or dangerous animals, needs a circular race

	Response
	<ul style="list-style-type: none"> • Have not been accessible in recent years • Too hard to get access via lessee • Hard floor; no soft flooring • Scanning difficulty • Small sale numbers means does not attract high number of buyers • Competing with other centres with regular sales • A little small as 1,000 cattle limit • No need for infrastructure upgrade - this would over-capitalise • Appears to be a closed shop. Lack of transparency in how operate and selling charges • Lack of soft flooring may become an issue but costly
Scales	
Use	Current leasee reported using the scales once a week, and other times on request
Like	<ul style="list-style-type: none"> • Platform is probably ok • Scales themselves ok • Convenience to have a local facility • Work well - capable of weighing 150/hour if drafted correctly • Function okay now without upgrade • Good if managed properly, including management to ensure accurate weights with correct curfews. • Locally available
Dislikes	<ul style="list-style-type: none"> • Lack of access, should be open to all • Scales are old and will need to be updated • Lack of transparency about weights; users should be able to see weights • Gates should be pneumatic. • Possible restricted number that can be weighed, i.e. lower throughput • Too small if had big numbers to put through on a sale day • Feedlotters prefer to do weighing at their own feedlots on induction, so less likelihood for standalone scales operation. • Less demand for weighing for local butchers • Expensive and difficult to get access

	Response
Truck wash	
Use	Two agents reported using the truck wash on a regular (e.g. fortnightly) basis.
Like	<ul style="list-style-type: none"> • Coin operated • Good local facility • Not just trucks • Essential to the community • Convenience • Good pressure • Value for money
Dislikes	<ul style="list-style-type: none"> • It's not a true truck wash. Just a high powered hose. No suds or foam. Should be privately run • Expensive i.e. \$20 for 2-deck truck • Sometimes out of order as Council does not empty coin box often enough causing occasional malfunction
Future operation and management	
What could be done to increase the overall use of the facility	<ul style="list-style-type: none"> • The facility needs someone to take "ownership", manage and promote it. Open it up to all agents to use. Make some improvements to make it more appealing (soft flooring, new crush, new scales, safety) • Get new management arrangement in place that have an equitable and transparent access rules • Best to be run by Council staff • Needs to be more attractive to buyers and sellers • Cover • Soft flooring • If revamped, advertising, word of mouth • More promotion by Council • Support from combined associated agents • Difficult with competition – e.g. 2 store sales are held every month in Wodonga with 4,500 cattle. Hard to see buyers supporting smaller sales where max is 1,000 head • Transparency, promotions, active Council support
Interest in holding sales	<ul style="list-style-type: none"> • 3-4 per years (700-1000 each). In total the facility might support 6 per annum • Yes - but prefer to do so with associated agents. Need 900 - 1,000 per sale to attract buyers. Possibly 1/month

	Response
	<ul style="list-style-type: none"> • Start with one/year then maybe two/year (Autumn & Spring) for store sales only • Yes, 2 per year probably as sole agent as not big enough to handle all agents, 1,000 head per sale required • Yes, but would need support from other agents for combined sale • Not sure if it would now attract the buyers to make it worthwhile • Yes. Possible 3-4 per year (2 spring, 2 autumn) with combined associated agents. Need at least 1500 per sale to attract buyers. Would only work for store cattle
Interest in using scales	<ul style="list-style-type: none"> • Yes, would use scales each week if allowed. Could sell off the hook, consolidate for other markets, live export, live weight (ex Corrying). Yard dues could be managed through agents sending in NVDs to Council • Yes, possible as part of a consortium to ensure access. Not sure how business model would work • No. If had an individual owner or lessee would create similar problems to current arrangements • No. Have networks in place for weighing that serves purpose • Yes • Yes, would like current arrangement to remain • No, because not locally based. But would like access if in private ownership. Scales important especially if have multi-vendor truck loads - B-Double weighbridge does not work for these
Interest in buying the facilities	<p>Two agents expressed some interest in purchasing the facility, if it was unable to continue as a Council owned facility</p> <ul style="list-style-type: none"> • Interested in buying the complex - if price is right and depending on Council conditions • Might be interested in buying if unable to remain Council owned • Not likely to be interested in purchasing as there has been a movement of sales away from the district and towards Wodonga/Barnawatha in recent years. So difficult business case
Interest in forming and participating in a Management Committee	<p>Agents interested in using the yards expressed an interest in participating in a Management Committee</p>
Interest in contributing to upgrading the facility	<p>Some agents expressed some low level interest in contributing to upgrading the facility, if it was unable to be funded by other means</p>

	Response
Potential impact of closure	
Impact on local business and community if facility was to close	<ul style="list-style-type: none"> • None (1) • Minor (1) • Moderate (3) • Major (2)
Description of impacts from potential closure	<ul style="list-style-type: none"> • Loss of identity, and pride. Wasted opportunity to realise its true potential • Would remove flexibility in options for handling/selling local cattle • Some local producers might be disadvantaged with higher freight costs to Barnawartha • People will move on after a short period of 'grieving' • Alternative auction systems such as Auctions-Plus are becoming more popular • Would remove ability to better market cattle • Would remove an important marketing facility especially for smaller producers • Smaller saleyards are closing everywhere so means a decline in local facilities for livestock producers

Table 15 Producers Response Summary

	Response
Interviews	4 phone interviews plus 16 survey responses
Business overview	
Cattle sold per annum (head)	Ranging from 30-600 per annum
Saleyards (%)	0%-100%. Seven respondents have no expected trade. Of those businesses who anticipate trade, the mean proportion of business trade is 65%
Over the hooks	20%-100%
Electronic	0%-10%
Other private or paddock sales	0%-10%. One respondent identified a trade of 80%
Selling facilities	
Use	Only one producer sold stock regularly at the saleyards
Like	<ul style="list-style-type: none"> • Local, showcase good genetics • Local and convenient • Nothing against the facility, we have just always sent our cattle to Wodonga. Concrete floor is not an issue for me • Convenient to local producers. Less freight charges than to other centres • Convenient. Necessary for my business. Because it's local, we are saving in freight • Savings in freight • No curfew, closeness to site of production, less animal stress from trucking • Small cattle numbers joined for larger truck • A great meeting place on sale day. Keeps business / stock sales locally and a transport saving for starters. A stock for transport to other destinations accumulation point. 2 other facilities are available for this mainly due to differences of opinion. Unloading and reloading point for down stocks in transport • Can use own truck for transport, and sell via agents throughout the year. Loyalty to agent can prevent participation in all aspects of the yards. Sales are a good community event, you go along to catch up with the locals even if you are not selling • Short travel distance / cost and less stress on animals. Less time for animals off feed • Employs Local people

	Response
	<ul style="list-style-type: none"> • Like to buy locally know the background of the cattle, cheaper freight cost • Sales to local customers
Dislike	<ul style="list-style-type: none"> • Concrete flooring • Not big enough • Not enough buyers • Prefer to sell over the hooks rather than at saleyards because local cattle generally have superior genetics therefore usually get 1-2% higher dressing percentage • You get rewarded for this selling OTH, but generally not when selling via saleyards • Dominated by one operator • Don't use it due to biosecurity risk. Sell everything direct or over the hooks • Only one agent currently operates the scales so minimal competition • Paying yard dues. Not sure how money distributed • Limited soft flooring for busy sale days
Scales	
Use	Ten producers had reported using the scales or loading facilities
Like	<ul style="list-style-type: none"> • Local and convenient • Good facility • Facilities are good • Savings with freight. Perhaps all agents become involved or given opportunity to use facility • It's in Corryong and very convenient for those who want to sell small numbers of stock • Ability to truck in own stock. Savings on cost of freight. Stock priced in paddock. Able to watch stock being weighed • Can come and see your cattle weighed, they are handled very professionally • A good service for locals if required
Dislikes	<ul style="list-style-type: none"> • Scales are old, walkthrough scales would be good • Prefer to weigh on farm before sending OTH, to make sure we are hitting specs. If not send to Wodonga saleyards • Operated by only one agent • Don't have a need for this service • Must be available to all agents

	Response
	<ul style="list-style-type: none"> • Not enough agents involved • The service can be improved. Namely, don't lease to single identity / agent. More agents will give better choice of liveweight prices, weekly. Producers able to compare better • May be not as competitive market as larger yards
Truck wash	
Use	Seven producers had used the truck wash
Like	<ul style="list-style-type: none"> • Works well when it is going. We used it regularly when selling cattle in Corryong but tend to use carriers more now that we have to send cattle further afield • Cost effective • Facilities, for size of Corryong are good • Good facility • I don't use it but my carrier does at least twice a week. No opinion on it - but it exists, which is good • Probably more if used the facility more. Has better pressure than we have at home • Much quicker • Containment of possible run off pollution is good • Appears to be very good • Local business can use the facility
Dislikes	<ul style="list-style-type: none"> • Waiting for transports to finish • Stopped using because as a one person operation it's too hard to use. Sometimes it ate my money
Future operation and management	
What could be done to increase the overall use of the facility	<ul style="list-style-type: none"> • No ideas, its probably inevitable that it will close • Any ideas would only be possible if the agents could get their act together and make it work. I don't want to be too negative but it is my opinion that stock agents in the Upper Murray get it too easy. All they have to do is inspect the stock make a phone call and leave all the hard work to the agents in Wodonga (Barnawartha) • It is probably an ideal time to try to make it work (with Barnawartha opening) and cattle prices doing well. Monthly sales would be ideal, but need to get the buyers. Sales would need to be branded well to tap into premium market. Potentially 1-2 special sales could be moved from Wodonga to Corryong each year • May be opportunities for niche marketing, special sales, stud sales, PTIC, mountain bred, dairy (depending on Johnes risk)

	Response
	<ul style="list-style-type: none"> Needs to be led by agents and producers If the Benambra road was upgraded, more stock would come to Corryong from Omeo. Particularly given B Double access is now available from Corryong to Wagga Increase competition. Not aligned to one agent Would like to see monthly store sales. Council run scales open to all agents Don't lease to a single identity / agent Would like to see more sales held in Corryong. Would like to see weighing prior to auction. Maybe other livestock sales ie: Horses, sheep, special sales, Blue Ribbon etc. More sales. There are a lot of ways for people to sell these days so not everyone wants to use a saleyards. The end destinations have contracted to about 7, which makes it harder Possible inclusion of user pays truck weighing facility It is perfect for the way I run my business Regular sales, but which buyers will come up to Corryong when there are small numbers of cattle Increase the number of sales per year ,encourage all agents to use facilities Run more sales, may now be possible as the increase in freight costs due to greater distance to Barnawartha. Further improvements to Corryong Benambra road to make B double access easier and reduced travel times
Potential impact of closure	
Impact on local business and community if facility was to close	<ul style="list-style-type: none"> None (1) Minor (5) Moderate (6) Major (8)
Description of impacts from potential closure	<ul style="list-style-type: none"> Expect only minor impacts on local business due to only one annual sale, however I am not a local (live 50km away) so may not be qualified to comment Because Barnawartha is now much further from Corryong the freight and other charges will make it harder to justify selling there, and will encourage more farmers to either sell over the hooks or in Wagga Wagga. Wagga Wagga would be a definite choice particularly for those producers over the river in NSW. In the case of the auction system at either centre farmers would be worse off because of freight and other charges. Over the hooks selling should be the most economical choice. Corryong businesses would benefit from the future increase in sales, and I am sure the yards would be very
Description of	

	Response
impacts from potential closure	<p>attractive to producers in the Benambra/Omeo district especially if the road was to be sealed. Makes a lot of sense. Towong Council should be actively promoting the use of the yards instead of deciding to sell or close the yards. The yards could become a valuable asset promoted and operated properly, however they will fetch very little money if offered for sale</p> <ul style="list-style-type: none"> • Increased selling costs, less opportunity to sell between producers • Local interaction with peers. Inconvenience, cost - cartage to Barnawartha • Positive - Local agents and staff have a source of income which circulates back through the Corryong community. More \$\$ circulated = more employment. Very hard to sell small loads • Means changing agents and further travel for bobby calves. Sells 150 grown and 160/180 bobby calves annually • More expensive to freight cattle. Additional travel costs to see cattle sold. More stress for livestock. Community - loss of employment for saleyard staff • It's where I sell all of my cattle, both from my main property and a paddock in town and it would stop my sales. It would stop the blokes from getting together and talking, which might have mental health impacts. The one sale a year is a real social event, it's a shame there aren't more for that reason • The local Upper Murray branding of animals sold from annual sale is good and wouldn't like to lose it. Good social interaction and comparison of other local cattle. Good for all businesses on sale days • Devastating effect • Nil for our business, loss of job for staff employed but our community of Walwa area not affected • Freight costs would increase time frame would alter ,no option left • Sale day in Corryong is a very important social event, farmers need to see other community members & this day just before Christmas is a wonderful event. • Bulk of my sales are to local backgrounders, have built up this market over the last 10 years, would add significantly to freight costs for both myself and the purchases to have to truck outside the district and then truck back
Other comments	<ul style="list-style-type: none"> • If there is no possibility of the facility paying its way, and it is not being widely used by the community, as a ratepayer I would prefer the Council sell and use the funds elsewhere • Could form a syndicate • Shame to see a public facility not available

Table 16 Livestock Carriers Response Summary

	Response
Interviews	3
Business overview	
Cattle sold per annum (head)	5,000-350,000 per annum
Saleyards	2 smaller carriers expect to transport less to Barnawartha, due to added cost (transport and yard dues) and difficulty meeting the curfew. These carriers expect this may increase opportunities for Corryong Saleyards
Over the hooks	Expected to increase due to changing livestock marketing trends and increased selling costs at Barnawartha Larger carrier transports 5% to/from saleyards, with the remaining 95% of business split between OTH and direct to feedlot
Electronic	Generally hasn't taken off locally
Selling facilities	
Use	All carriers are available to transport stock when sales are on
Like	<ul style="list-style-type: none"> • Opportunity to consolidate loads from multiple producers before sending to market or abattoir, particularly when can't get onto property • Good quality yards, well maintained, things get fixed • Good for smaller producers
Dislike	<ul style="list-style-type: none"> • Lack of access • Concrete floor is sometimes an issue • Stock can't be held too long • Needs more dirt yards. Cheap to install and would save cleaning
Scales	
Use	<ul style="list-style-type: none"> • Do not use, don't get along with Agent • Sends around 120 per week to scales for selling over the hooks, estimates double this amount (240) would be yarded each week • 3-4 times a year currently, but if given access would use weekly
Like	<ul style="list-style-type: none"> • Great for consolidating loads • Currently loading and consolidating at home, but Corryong yards would be better. Could also be used when transporting multiple consignment loads backs from Wodonga. For example, drop at yards and let producers pick up from there
Dislikes	<ul style="list-style-type: none"> • Lack of access • Ramps are okay but double decker would be good

	Response
Truck wash	
Use	<ul style="list-style-type: none"> Once a week, spending up to \$20 each time Twice a week, spending up to \$20 each time Minimal at the moment because I don't like the coins, but if they got AVDATA would use it 15-20 times a week
Like	<ul style="list-style-type: none"> Very handy and necessary for business. Important facility for transporters who do not have their own truck wash Many privately owned truck washes probably don't meet EPA standards Neighbours complain if truck is not washed Would be interested to see usage numbers, as can't see how Council doesn't make money off it Should consider limiting use to livestock transporters as other vehicles cause mess and blockages Convenient and like the coin operation Convenient
Dislikes	<ul style="list-style-type: none"> Wodonga is cheaper (\$1 per 4 minutes) Cleaning garbage trucks causes a mess Coin operated, no AVDATA, Could be longer to better allow for B-Doubles' access
Future operation and management	
What could be done to increase the overall use of the facility	<ul style="list-style-type: none"> Can't increase sales as need to attract at least 6 buyers Many local producers are buying store cattle from elsewhere and bringing in to fatten. So not much chance of increasing store sales Abattoirs are increasingly buying based on dressed weight (not live weight), so no need to weigh When selling online, buyers have one week to collect from the seller's property, so can't see how this will increase use. However will probably see increased demand for consolidation and loading of cattle for sales in Barnawartha or over the hooks Agents need to work together Abattoirs are paying on dressed weight, so no need to weigh. Not too many online sales, but in most cases there is no need to yard Improve access would increase use significantly. Need to install an NLIS panel reader on ramp to keep track of yard dues The area really needs a weighbridge (as opposed to pen scales), would be used for weighing livestock, grain, fertiliser, dairy stock feed. Visa card operated, so very low maintenance. Could be located on the site

	Response
Potential impact of closure	
Impact on local business and community if facility was to close	<ul style="list-style-type: none"> • None (0) • Minor (1) • Moderate (0) • Major (1)
Description of impacts from potential closure	<ul style="list-style-type: none"> • Increased selling costs to Barnawartha. Costs about \$100 per truck extra to go extra distance (to carry 13-24 head) add this to increased selling fee and it is costly. Particularly given many of the store cattle make their way back to the Upper Murray
Other comments	<ul style="list-style-type: none"> • Not worth spending lots of money on the yards, but definitely not worth closing. Worth keeping for a loading and unloading facility with the option of having a few sales • Dump point might be better located somewhere else • Would be interested in purchasing facility, as part of a syndicate, to keep it open

Table 17 Buyers Response Summary

	Response
Interviews	4 (3 abattoirs and one contract buyer)
Business overview	
Cattle purchased per annum (head)	Range from 2,000 to 150,000 per annum
Saleyards (%)	35% - 70% generally expected to decrease
Purchased over the hooks direct, from paddock or electronically	40%-65% generally expected to increase
Selling facilities	
Use	With one predominately store sale per annum, Corryong sales are a very minor source of cattle. One abattoir reported not attending Corryong sales, the remaining 3 reported sometimes attending (either directly or via a contract buyer) depending on the volume yarded
Like	<ul style="list-style-type: none"> Scales, truck wash and ability to consolidate lots to transport in abattoir Nothing wrong with the yards from a buyer perspective, just need to get enough throughput and get a regular date in the calendar. If the cattle are there we will come
Dislike	<ul style="list-style-type: none"> No direct B Double access from Corryong to Wagga Not big enough, not regular enough, too busy to attend
Scales	
Use	One buyer reported purchasing about 40 head each week from Corryong
Like	Selling option for locals and ability to consolidate smaller lots into one load
Dislikes	<ul style="list-style-type: none"> Pay based on dressed weight, so no need to weigh Should be open to all agents
Truck wash	
Use	0
Like	<ul style="list-style-type: none"> NA
Dislikes	<ul style="list-style-type: none"> NA
Future operation and management	
What could be done to increase the overall use of the facility	<ul style="list-style-type: none"> Improve access for all agents, promote local sales (mountain cattle, special sales, as per Omeo, Myrtleford). Expect use to increase when Barnawartha opens, selling fees will get higher Need to increase throughput and find a spot in the calendar, to get buyers

	Response
	<p>there</p> <ul style="list-style-type: none"> • Get agents together and make it work. Aim for at least 3 sales per year of no less than 600 head. Difficulty will be finding a day, buyers are too busy to attend many sales, schedule is full. Maybe look at Wednesday or Friday afternoon
Potential impact of closure	
Impact on local business and community if facility was to close	<ul style="list-style-type: none"> • None (1) • Minor (2) • Moderate (1) • Major (0)
Description of impacts from potential closure	<ul style="list-style-type: none"> • Increased selling and transport costs for producers • Minor increase in selling costs, but difference in transport costs is irrelevant, because 9/10 times it is paid for by the vendor (either directly or in the price paid)
Other comments	<ul style="list-style-type: none"> • Since Wodonga yards closed, we are getting lots of interest from local producers wanting to sell over the hooks (due to increased freight and selling costs) • It may be a dead duck. Saleyards have closed in Benalla, Cobram and Griffith, even with strong throughput

Table 18 Community and industry response summary

	Response
Interviews	11, including Man from Snowy River Festival and representatives from local businesses
Selling facilities	
Benefits to local business	<ul style="list-style-type: none"> • Used for loading, unloading and holding horses for the MFSRF. Particularly important for Rileys Ride. We have people camp on the site, and use the toilets and dump point (1000 campsites on the golf course, so disposal of waste is critical). The rodeo contractor also uses the yards. In total the site is used for about 2 weeks over the festival • Saves cattle store cattle travelling to Wodonga and sometimes back again • Brings customers to Corryong both local and from elsewhere. All businesses benefit, especially rural traders. After sales farmers also visit local rural traders for supplies and equipment. Regular events like monthly sales are good for our commercial centre • Over the years sales at the stockyards have reduced which has impacted local businesses as farmers are not coming into Corryong. It has also caused loss of loyalty to the local businesses. Assists buy local • Brings people into town • Stock sales are needed to take place on a regular basis to have an influx of visitors spending money in our town. There could be Accommodation and meals facilities that benefit mostly • Helps with freight charges when we buy and sell cattle. More cattle sales save freight charges to Wodonga • Obviously provides some extra casual wages • Sale days bring extra business to retailers • It's an outlet for local cattle without having to send them to a market with an uncertain outcome
Benefits to local community	<ul style="list-style-type: none"> • Festival has a massive social benefit. It is the major fundraising event for all local community groups. Each year the festival tenders our \$40-50K to local groups and businesses • Cattle sales are a great community social and networking opportunity • Farmers get to communicate with each other to enjoy each other's company and to learn from each other • Benefits community groups such as the CWA, who provide morning teas • Provides employment • Farmers have the opportunity to have contact with each other • There will be more money into our town • More employment locally • If livestock producers go to Wodonga what do they buy and bring back if more sales in Corryong then the sales stay here

	Response
	<ul style="list-style-type: none"> • Dump point availability for tourists. Meeting point for isolated farmers • It keeps a family just about fully employed plus transport operators and cleaners etc.
Like	<ul style="list-style-type: none"> • Important site for the festival, and key location • great local asset in a cattle producing area • Good access • Good location • Cheaper facility • Cheaper transport especially where local people buy local cattle • Water good • Shade good • Convenience for buying and selling cattle. • Nice and handy for locals to self-deliver. Knowing the price when they do • There is nothing like the atmosphere of a cattle sale in motion. Both socially and economically
Dislike	<ul style="list-style-type: none"> • Concrete floor • Safety issues need to be addressed (more up to date design required from OH&S point of view) • Control currently vested with one agent, which has affected other agents in using it • Not being used as much as it should be • Not shared with all agents • I dislike the fact that someone would want to close the facility
Future operation and management	
What could be done to increase the overall use of the facility	<ul style="list-style-type: none"> • Festival spends \$30K on mobile toilets and showers. Expected to rise. Establishing permanent facilities on the site would probably save \$10K+ per annum. Would be easy enough with an amenities block already there • Possibility to use the site for a horse sale, either associated with the festival or at other times of the year. Would need to be on dirt yards, and ideally you would need a show ring. Festival currently runs a horse sale, however only for competition horses. There is scope for this to be expanded • Agents need to unite • Open availability to all stock agents • Encourage agents to put together a consortium to run the saleyards on behalf of the Shire • Update stockyards to current standards • Offer regular sales - say monthly

	Response
	<ul style="list-style-type: none"> • Take advantage of Wodonga stockyards relocation resulting in increased cartage costs and yard dues • Install cattle weighing facility with weight display for buyers to know what weight they are bidding for • With shire's assistance help develop and market cattle sales • Market to Omeo/Benambra to use the Corryong facilities • Provide a truck weigh bridge • Camera set up allowing internet viewing and bidding for the cattle • Regular sales • Open the yards up to all agents and use them on a monthly basis • Give access to all agents. Not to lease to only one agent. Encourage tourists to the area if they know dump point available • Probably a revamp of the eat house facility. The big improvement would be not leasing to one body. All agents working on a rostered time slot for weighing weekly. We don't work hard enough on promoting the store stock sales locally. How many stock go away and them come back? • Internet selling linked to Barnawartha sale days. Let all stock agents have equal rights for use • Perhaps the local agents could work together and have more special sales than one a year
Potential impact of closure	
Impact on local business and community if facility was to close	<ul style="list-style-type: none"> • None (0) • Minor (0) • Moderate (2) • Major (6)
Description of impacts from potential closure	<ul style="list-style-type: none"> • Social and economic impacts, as above • Would need to find other facilities for loading and holding stock, waste, camping etc. • Local opportunity to market cattle • Truck wash loss • Loss of opportunity for farmers the chance to market small numbers • Spending money in Corryong and keeping it local • Transport costs less. • They would miss out on the buyers and sellers spending money in our town • All sales encourage farmers to shop locally therefore helping the community • Socially it's a great place for livestock producers to come together. Where else would there be a gathering of large numbers at the same time, who

	Response
	<p>knows what the subject might be</p> <ul style="list-style-type: none"> • Extra cost to cart cattle. Less likely to attend further sales point leading to further isolation of at-risk farmers • Two small transport operators would probably stop operating. Trucks would be washed in places that might damage the environment. Farmers would not have the opportunity to communicate as much
Other comments	<ul style="list-style-type: none"> • Towong Shire is at risk of stagnation at best and a significant contraction at worst if there are no significant changes in its current direction • Towong is a rural shire and it must promote and develop its strengths (agriculture) • The Upper Murray brand requires vibrant stockyards at Corryong • The Asian food bowl will significantly benefit the Upper Murray agricultural sector and the stockyards. We need to part of this to help achieve the growth • The Shire needs to take a proactive role in the management, development and marketing of the facility, both now and in the future. The local agents must work co-operatively with the shire as well in this regard • All existing facilities including sales, weighing, truck wash and dump point need to be at least retained. • Major negative impacts in closing are mainly economic • Please do not close the saleyards • Now that Bandiana Yards have closed and moved to Barnawartha the extra travel for sellers from our region is going to be a time problem and costs of fuel will increase. The door is now open so let us use our yards to their full capabilities • How many more Corryong district facilities are going to be moved away? Let's keep something here and give it a good shot. One thing that is very handy is it's a good place / centre to drop stock off to accumulate for a transport load make up. Unloading and loading in case of down stock in transport a big animal welfare point that requires a high priority • Livestock sales will continue locally as there are two facilities in operation on a private property. By working towards bringing all together at a central point may well work to an increase in the number of stock that are sold locally. There will be some who many well reconsider the freight cost with the closing of the Wodonga. What will the extra time of travel to the new facility be, 20 /30 minutes further on? • Stop wasting our rate payer's money and leave the saleyards alone • Livestock farming is the Upper Murray's major land use. • Let's do something towards developing further economic value, keep more money locally and jobs

Over the course of the review GHD also consulted with the following stakeholders:

Northern Victoria Livestock Exchange

- Can't see any opportunities for NVLX to integrate services with Corryong yards, other than having agents or carriers consolidate loads before sending in to Barnawartha
- Down the track planning to facilitate electronic sales, but doubt this would provide any additional use for the Corryong yards
- NVLX could provide scanning service (via Livestock Link), but probably wouldn't be worthwhile for the volume.

Myrtleford Saleyards

- Elders Ltd own the site and operate 2 sales per annum
- Sometimes used as a depot for Wodonga sales
- Yard fees at \$5 plus GST
- Maintenance is low. When not in use yards are locked and water gets turned off.
- Yards were built in the 1950s and are very strong
- Despite being only 45 minutes from Wodonga, the yards remain viable and popular with certain buyers and sellers
- Expect yardings to increase when Barnawartha opens, due to difference in yarding fees and local producers wanting to trade locally
- Don't have any issues getting buyers to the sale
- Fat sales didn't work for the yards, but store sales work well
- Loss of high plains cattle caused a drop in throughput
- Marketed as a premium sale (similar to Corryong or Omeo)
- Recommend Corryong should open up to all agents.

Livestock Agents Association

- Cannot comment on the specifics of Corryong, however unfortunately smaller yards are becoming less viable for a range of reasons
- In the future Worksafe are likely to require all yards to be licenced.

Relevant Council staff

- Provided input into the review with regards to the maintenance and operation of the yards.

Appendix B – Options analysis

Option 1 - High investment

Assumptions

- Sales increase to 6 per year with an average of 730 head per sale (historical average based on 8 years of data), on account of improved facilities and increased access to all agents
- The number of cattle being weighed at the facility increases by 30% at the same ratio of cows (82%) to calves (18%) as the historical average. Increased throughput is on account of improved facilities and increased access to all agents
- Truck wash revenue collection increases by 50% on account of the Avdata system being installed, increased use of the facilities and reduced losses from the coin operated system
- Costs increase by 20% (except cleaning which decreases by 19% on account of stock having restricted access during weekly use).

Evaluation

Table 19 High investment option

Criteria	Weighting	Score	Weighted Score	Comments
Alignment with Council Strategy	18%	4	0.18	Strong commitment to local beef industry
Economic return	22%	3	0.17	Minor positive cashflow position achieved once upgraded (20K per annum). 10 year NPV of 22K
Practicality	13%	2	0.07	Improvements likely to make management easier, however overall managing additional use will require additional effort.
Risk	20%	1	0.05	Investing in improvements will help reduce some operational risks (OHS and animal welfare), however will increase financial risk. Increased use of the facility will naturally increase risk of unforeseen incidents
Public economic benefits	18%	4	0.18	Maximum benefits due to improved facilities, improved access and increased number of sales (6) Continued access to the truck wash, dump point, festival etc.
Public social benefits	9%	4	0.09	Increase social benefits from sales and maintain festival
			73%	

Option 2 - Low investment

Assumptions

- Sales increase to 3 per year
- Combined total of 4 agents (1 agent at 2 sales and 2 agents at 1 sales)
- Sales average 730 head (historical average based on 8 years of data)
- The number of cattle being weighed at the facility increases by 40% (at the same ratio of cows (82%) to calves (18%) as the historical average)
- Expenses increase by 20%
- Truck wash usage is based on 10 Council and 2 public uses per week with an average cost of \$20 each time.

Evaluation

Table 20 Low investment option

Criteria	Weighting	Score	Weighted Score	Comments
Alignment with Council Strategy	18%	3	0.14	Ongoing commitment to local beef industry
Economic return	22%	2	0.11	Breakeven achieved once upgraded (3K per annum). 10 year NPV of -3K
Practicality	13%	2	0.07	Improvements likely to make management easier, however overall managing additional use will require additional effort.
Risk	20%	2	0.10	Lower investment will increase operation risk, however offset by reduced financial risk and lower use.
Public economic benefits	18%	3	0.14	Substantial benefits due to some improvements in facilities, improved access and moderate increase in sales per annum (3). Continued access to truck wash, dump-point, festival etc.
Public social benefits	9%	3	0.07	Maintain social benefits from sales and festival
			61%	

Option 3 – Weighing and loading only

Assumptions

- As per option 2 however no sales are held at the facility

Evaluation

Table 21 Weighing and loading option

Criteria	Weighting	Score	Weighted Score	Comments
Alignment with Council Strategy	18%	2	0.09	Potentially weaker commitment to local beef industry
Economic return	22%	1	0.06	Minor loss once upgraded (-3K per annum). 10 year NPV of -35K
Practicality	13%	3	0.10	Facility slightly easier to manage due to no sales being held
Risk	20%	3	0.15	Lower financial and operational risk
Public economic benefits	18%	1	0.05	Loss of selling facilities, however improved access for weighing and loading, continued public access to truck wash, dump-point, festival etc.
Public social benefits	9%	2	0.05	loss of social benefit from sales, maintain festival
			48%	

Option 4 – Sell facility

Assumptions

- Estimated value of \$100K-200K
- Privatised - May/may not continue to operate.

Evaluation

Table 22 Sell option

Criteria	Weighting	Score	Weighted Score	Comments
Alignment with Council Strategy	18%	2	0.09	Potentially weaker commitment to local beef industry
Economic return	22%	3	0.17	Site sold for \$100K-\$200K, no major ongoing costs, NPV of +\$100K-\$200K
Practicality	13%	4	0.13	No Council responsibility for management
Risk	20%	4	0.20	Selling the facility will remove all risk from Council
Public economic benefits	18%	2	0.09	In private hands access may continue to be limited, services may be reduced or costs increased. Public access to the truck wash, dump point and festival may be reduced. In time the facility may close. On the other hand a private operator may take greater 'ownership' of the facilities and help ensure it is fully utilised
Public social benefits	9%	2	0.05	May/may not maintain social benefits from sales and festival
			72%	

Appendix C – Avdata Truck Wash Information

The Genskills report recommended Council adopt the coinless Avdata system, which operates a network of over 100 (predominately Council owned systems) across Australia.

Features and costs associated with the Avdata system

- System costs around \$3000 plus GST to install. To help finance setup, users can opt to have this cost deducted from returns in the initial period following installation
- Avdata bill users every 3 months, and return funds to Council (less 10% commission)
- Pre-paid options are also available
- Keys cost \$22 plus GST, which can be purchased by Council and resold to users as needed
- Around 10,000 keys are currently in use across Australia
- Can be used in parallel with existing coin operated system
- Avdata can supply Council with “management keys” allowing for internal use free of charge
- Council can set their own rate
- Optional features include restricted night access and solar power.

The nearest Avdata truckwashes are located in Wodonga (70c/minute), Barnawartha (95c/minute and Wagga (45c/minute). The full list of Avdata locations and rates is available at

<http://www.avdata.com.au/pdfs/truckwashChargeRates.pdf>

Below is a list of truckwash owners who are part of the National Truckwash System, as at 27 March, 2015.

These rates are expressed exclusive of GST; 10% GST applies in addition to the rates shown.

1.	Armidale	Armidale Livestock Selling Agents	45 cents/minute, minimum \$5.00
2.	Bairnsdale	East Gippsland Shire Council	\$1.36/minute
3.	Ballarat	Regional Infrastructure P/L T/A CVLX	88 cents/minute
4.	Bega Valley	Sapphire Horizons P/L	40 cents/minute, minimum \$2.00
5.	Bendigo	City of Greater Bendigo	\$1.045/minute (stock crate washdown only)
6.	Berrigan	Berrigan Shire Council	40 cents/minute, minimum \$4.00
7.	Blackall	Blackall-Tambo Regional Council	25 cents/minute
8.	Boort	Loddon Shire Council	68.18 cents/minute
9.	Bordertown	Tatiara District Council	61 cents/ minute
10.	Braidwood	Palerang Council	50 cents/minute, minimum \$4.55
11.	Camperdown	Corangamite Shire Council	95.45 cents/minute
12.	Carcoar	Regional Infrastructure P/L T/A CTLX	97 cents/minute, minimum \$2.00
13.	Casino	Richmond Valley Council (Northern Rivers Livestock Exchange)	60.9 cents/minute, minimum \$3.42
14.	Casterton	Glenelg Shire Council	60.9 cents/minute
15.	Chinchilla	Western Downs Regional Council	\$1.00/minute
16.	Cobram	Moira Shire Council	60 cents/minute, minimum \$1.00
17.	Colac	Colac Otway Shire Council	Installation underway
18.	Cooma	Cooma-Monaro Shire Council	56.36 cents/minute
19.	Coonamble	Coonamble Shire Council	50 cents/minute, minimum \$2.00
20.	Cootamundra	Cootamundra Shire Council	30.9 cents/minute, minimum \$2.72
21.	Corowa	Shire of Corowa	60 cents/minute
22.	Cowra	Cowra Shire Council	68.18 cents/minute, minimum \$3.72
23.	Crookwell	Upper Lachlan Shire Council	\$1.00/minute
24.	Dalby	Western Downs Regional Council	Installation underway
25.	Dalrymple	Charters Towers Regional Council	45.45 cents/minute; from 1Dec14 54.54 cents/minute
26.	Deniliquin	Deniliquin Council	64.63 cents/minute
27.	Dinmore	Australian Meat Holdings P/L	35 cents/minute
28.	Dubbo	Dubbo City Council	52 cents/minute
29.	Echuca	Shire of Campaspe	\$1.05 per minute
30.	Eidsvold	North Burnett Regional Council	25 cents/minute, minimum \$2.00
31.	Emerald	Central Highlands Regional Council	40 cents/minute, minimum \$3.64
32.	Esperance	Shire of Esperance	86.36 cents/minute
33.	Euroa	Shire of Strathbogie	\$1.00/minute
34.	Finley	Berrigan Shire Council	40 cents/minute, minimum \$4.00
35.	Forbes	Forbes Shire Council	45 cents/minute
36.	Geraldton (Meru)	City of Greater Geraldton	45 cents/minute
37.	Glen Innes	Glen Innes Severn Council	54.54 cents/minute, minimum \$4.41
38.	Glen Innes New	Glen Innes Severn Council	54.54 cents/minute, minimum \$4.41
39.	Gloucester	Gloucester Council	55 cents/minute
40.	Goulburn	Kattle Gear Australia P/L	\$1.00/minute; TRUCKWASH OPEN SALE DAYS ONLY

41. Gracemere	Regional Infrastructure P/L T/A CQLX	86 cents/minute
42. Grafton	Clarence Valley Council	50 cents/minute, minimum \$2.00
43. Griffith	Griffith City Council	30.90 cents/minute
44. Gundagai	Gundagai Shire Council	40 cents/minute, minimum \$4.00
45. Gunnedah	Gunnedah Shire Council	36.36 cents/minute, minimum \$3.36
46. Guyra	Guyra Shire Council	61 cents/minute
47. Hamilton	South Grampions Shire Council	91 cents/minute
48. Harden	Harden Shire Council	60 cents/minute
49. Hillston	Carrathool Shire Council	35 cents/minute, minimum \$2.50
50. Horsham	Horsham Rural City Council	70 cents/minute, minimum \$4.00
51. Injune	Maranoa Regional Council	68.18 cents/minute
52. Inverell	Regional Infrastructure P/L T/A IRLX	51 cents/minute
53. Jamestown	Northern Areas Council	35 cents/minute, minimum \$2.00
54. Jerilderie	Jerilderie Shire Council	35 cents/minute, minimum \$3.00; from 1Jan15 50 cents/minute, minimum \$3.00
55. Julia Creek	McKinlay Shire Council	95.45 cents/minute, minimum \$2.81
56. Katanning	Shire of Katanning	45.45 cents/minute, minimum \$4.54
57. Keith	Tatiara District Council	61 cents/minute
58. Kempsey	Kempsey Shire Council	45.45 cents/minute, minimum \$3.64
59. Kerang	Australian Saleyard Management	59.09 cents/minute
60. Kingaroy	Swickers Kingaroy Bacon Factory	40 cents/minute
61. Kingston SE	Kingston District Council	77 cents/minute, minimum \$6.00
62. Kojonup	Shire of Kojonup	54.54 cents/minute, minimum \$5.00
63. Kyneton	Shire of Macedon Ranges	\$1.05/minute
64. Leongatha	Victorian Livestock Exchange	\$1.20/minute
65. Longreach	Longreach Regional Council	45 cents/minute, minimum \$4.72
66. Millicent	Wattle Range Council	45.45 cents/minute, minimum \$2.72
67. Moree	Moree Livestock Selling Agents	35 cents/minute
68. Moss Vale	Wingecarribee Shire Council	60 cents/minute
69. Mount Barker	Shire of Plantagenet	50 cents/minute, minimum \$5.50
70. Mount Gambier	District Council of Grant	53.63 cents/minute, minimum \$1.90
71. Muchea	WA Meat Industry Authority	60 cents/minute
72. Mudgee	Mid-Western Regional Council	51.81 cents/minute
73. Murwillumbah	Tweed Livestock	40 cents/minute, minimum \$4.00
74. Naracoorte	Naracoorte Lucindale Council	63.63 cents/minute
75. Narrabri	Narrabri Shire Council	55 cents/minute, minimum \$5.00
76. Narromine	Narromine Shire Council	25 cents/minute, minimum \$2.50
77. Nebo	Isaac Regional Council	30 cents/minute, minimum \$3.00
78. Ouyen	Ouyen Livestock Exchange	85 cents/minute, minimum \$4.25
79. Pakenham	Victorian Livestock Exchange	\$1.40/minute
80. Pyramid Hill	Loddon Shire Council	68.18 cents/minute
81. Quirindi	Liverpool Plains Shire Council	36.36 cents/minute, minimum \$4.54
82. Richmond	Richmond Shire Council	36 cents/minute
83. Roma	Maranoa Regional Council	50 cents/minute

84. Sale	Victorian Livestock Exchange Sale	\$1.25/minute (LIMITED DAILY ACCESS - REFER SALE YARD SIGNAGE)
85. Scone	Upper Hunter Shire Council	68.18 cents/minute, minimum \$9.09
86. Shepparton	Greater Shepparton City Council	85 cents/minute; from 1Jan15 92 cents/minute
87. Silverdale	Hayes & Co Harrisville P/L	45 cents/minute, minimum \$5.00
88. Singleton	Singleton Council	59.09 cents/minute, minimum \$4.54
89. Smithton	Cradle Mountain Water	60 cents/minute, minimum \$3.95
90. Swan Hill	Swan Hill Rural City Council	52.72 cents/minute
91. Tamworth	Regional Infrastructure P/L T/A TRLX	82 cents/minute; from 1Jan15 87 cents/minute
92. Taree (Townhead)	Taree Gloucester Livestock P/L	70 cents/minute, minimum \$7.00
93. Temora	Temora Shire Council	30 cents/minute, minimum \$2.00
94. Toowoomba	JBS Australia P/L Beef City Feedlot Purrawunda via Toowoomba QLD	Bay2 & Bay4 70 cents/minute, minimum \$3.50
95. Trangie	Narromine Shire Council	25 cents/minute, minimum \$2.50
96. Wagga Wagga	City of Wagga Wagga Council	45.45 cents/minute
97. Wandoan	Western Downs Regional Council	\$1.00/minute
98. Warracknabea	Yarriambiack Shire Council	60 cents/minute
99. Warrnambool	Warrnambool City Council	\$1.21/minute
100. Warwick	Southern Downs Regional Council	51.81 cents/minute, minimum \$4.00
101. West Wyalong	Bland Shire Council	\$1.18/minute, minimum \$11.81
102. Wodonga	Regional Infrastructure P/L T/A NVLX	70 & 95 cents/minute; from 11Feb15 90 cents/minute, minimum \$2.00
103. Wycheproof	Buloke Shire Council	72.72 cents/minute
104. Yarrawonga	Moirra Shire Council	55 cents/minute, minimum \$5.50
105. Yass	Yass Valley Council	50 cents/minute

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2	S. Hoban	A. Briggs	On File	C. Elliott	On File	24/03/15
3	S. Hoban	A. Briggs	On File	C. Elliott	On File	26/03/15

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