

Gloucester Saleyard Review

Overview

The purpose of this briefing note is to provide a high level summary of the existing sale arrangements at Gloucester Livestock Exchange (**Saleyard**) and identify the review which has recently been undertaken in connection to those arrangements.

Following the review, Council intends to implement appropriate actions to ensure the Saleyard facilities are managed in a fair and equitable manner which maximises community benefit (on a sustainable basis) from the sale arrangements.



Background

Council owns the Saleyard facility and grants permits for agents to conduct sales on a regular basis from the Saleyard.

The Saleyard provides facilities and services for the efficient selling and buying of livestock. The Saleyard are owned and maintained by Council with sales operated by licensed agents. The Saleyard are accredited with the NSQA, MLA and EU standards.

In recent years, Gooch Agencies has been the only permit holder (the permit was originally granted to two agents jointly), which entitles Gooch Agencies to sell at the regular store sales on the 2nd and 4th Thursday of each month. Gooch Agencies currently holds a 6 month permit which is due to expire on 30 June 2018.

Historically, regular fat sales were scheduled for the 1st and 3rd Thursday of each month, but these sales are now often cancelled due to a lack of throughput. Any agent who requests a permit is permitted to sell at these sales.

In addition, a special bull sale is held each September at the Saleyard.

Other agents in the area (including Bowe & Lidbury, John Hannaford and First National Gloucester) have been trying to obtain a permit to sell from the Saleyard on regular store sale days, but additional permits have not been granted by Council to date for the reason that Good Agencies held existing bookings and therefore had the right to 're-book' upcoming sales (based on Council's preferred historical approach).

There are arguments both ways as to whether this historical approach is fair and equitable. On the one hand, Gooch Agencies should be entitled to the goodwill that they have built up over the years for those sale days and on the other hand, agents wishing to sell at the Saleyard on nominated store sale days should not be prevented from doing so.

Review commissioned

The former Gloucester Shire Council resolved to conduct a review of the Saleyard operations however this review was not commissioned prior to the merger.

Mid-Coast Council engaged Seamus Hoban from GHD to undertake a review of the Saleyard including the facilities, operations and use arrangements with livestock agents.

In completing their review, GHD conducted a site visit to the Saleyard and undertook targeted consultation with Council staff and livestock agents.

GHD will present their findings and Review Report for Council's information at the Council meeting on 14 March 2018.

Relevant data

- Annual throughput at the Saleyard has been in a steady decline since 2001/02 (37% decline) - this decline is mostly due to the significant reduction of the sale of fat cattle from the Saleyard
- In 2017 throughput was 16,593 head of cattle
- The sale of store cattle has remained relatively unchanged during this period (despite a reduced number of agents selling at the facility (in 2013/14 Gooch Agencies became the sole operator)
- The market is experiencing an overall decline in the national cattle herd
- In recent years, Council has managed to increase revenue collection per head via agent fees and yard dues to ensure that overall revenue is sufficient to cover operating costs
- In 2017/18, fees and yard dues were \$9.50 per head plus an agent flat booking fee of \$360 per sale
- In order to breakeven (and fund future capital improvements), GHD estimate that throughput of 18,000 - 20,000 head per annum is required

Review assessment and findings

In their review, GHD assessed five options which ranged from a sale/lease of the Saleyard to utilising the Saleyard for store sale bookings up to 3 Thursdays of the month.

The pros and cons of each option were weighed up and summarised in the report.

Following consultation with local agents and Council staff, GHD also summarised their key findings, constraints and parameters associated with the Saleyard operations and sale arrangements.

Attachments

Mid-Coast Council Gloucester Saleyard Review (prepared by GHD)

Gloucester Saleyard Review - Council Presentation (prepared by GHD)

Briefing notes author

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