

25 July 2023

**Richmond Valley Council - Mayor and Councillors' Statement
Northern Rivers Livestock Exchange - July 2023**

To respond to commentary in our community regarding the Northern Rivers Livestock Exchange (NRLX), we take the opportunity to update everyone on Council's position.

It has been very disappointing to have no sales at the NRLX due to agencies deciding not to sign a licence agreement to operate at the facility. This is a serious situation for our community that we, as councillors, would strongly prefer did not happen.

We have been through a six-month procurement process for NRLX Agency Licences, a standard approach to procurement across all three levels of government and private enterprise. Interested agencies had numerous opportunities to provide feedback on the licence agreement and sign it.

Council set the NRLX fees and charges back in March 2023 after a two month public consultation period, with no submissions received from any agencies. Council has not received any specific proposals for amendments to those fees and charges to the date of this statement.

The NRLX is a community-owned facility which has had more than \$15 million invested in it by the three levels of government, including a \$3 million loan borrowed on behalf of Richmond Valley ratepayers. The NRLX has generated sale revenues of more than \$0.5 billion over the past three years, providing strong benefits to the entire Richmond Valley and Northern Rivers beef industry.

Council's Expressions of Interest (EOI) process offered licences to sell at the NRLX in line with industry standards. These standards have been set in response to documented ongoing work, health and safety incidents, as well as a need to increase service levels to improve animal welfare standards. As the owner and the entity that is held accountable if incidents occur, Council has a responsibility to manage risk and has determined it needs to have greater control of the sale day operations.

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Council's aim throughout the EOI process has been to improve how the entire facility operates, especially to meet legislative requirements in the areas of:

- animal welfare standards and feed quality
- work health and safety requirements
- public liability insurance and workers compensation coverage
- Code of Conduct compliance
- transport chain of responsibility requirements
- EPA environmental pollution licence requirements
- National Livestock Identification Scheme compliance
- Biosecurity compliance

The adopted Revenue Policy and operational improvements to the NRLX include:

- Council has moved to a percentage-based agent business usage fee, a system widely used in saleyards Australia-wide, which means that usage fees move with the market, as agency commission revenues do. The usage fee is set at 0.2 percent of sale revenue, which means if stock sells for \$1000, Council will receive \$2 from agencies for use of the facility and conducting their business activities. Many similar quality saleyards charge a 0.3% agency fee (\$3 per \$1000 of stock sold), which shows our Revenue Policy is favourable.
- Council has established a Livestock team to manage the cattle after they have been sold by the agents. This system is in place in eight of the top 10 saleyards in Australia, as the facility owner needs to control the many risks which exist in saleyards.
- As Council is introducing an increased level of service, there will be a per head charge to the agencies, which replaces the costs they incurred to employ saleyard staff. Our proposed per head cost has been set to cover the higher level of service needed to meet the many standards we are required to comply with.
- Agencies will continue servicing their clients from the field, bring livestock to the saleyards using local transporters, receiving, and drafting them into the selling pens and running the auction. Our team will support the sale process through pre-sale scanning to speed up the administrative and weighing processes as well as enabling more live streaming of sales, increasing competition in the marketplace to benefit all producers.
- Council has prepared a new licence agreement for agencies which sets out the requirements to operate at the facility and other expectations for a facility of this size and with the many risks we must manage.
- There are no unloading or loading charges at any time for livestock which are included in NRLX sales.
- There is no increase in fees for producers for another three years. This will mean no increase in fees for producers at the NRLX for six years.

Councillors are elected by ratepayers and residents and have the responsibility under the Local Government Act to manage Council's assets in a financially sustainable manner. Public consultation with stakeholders in 2016 supported Council's decision to operate the NRLX, invest in it, and run it as a financially sustainable business, instead of selling or leasing the facility. Council has delivered on this feedback and the changes to management arrangements and licence fees are the next step in the improvement process, with these decisions being made with the whole community in mind, not just one sector.

The NRLX currently operates at an operational deficit. The changes which Council has introduced are aimed at moving the deficit towards a surplus, so that reserves can be built up for future investment in the NRLX, eliminating any financial burden on ratepayers.

The EOI process showed there was wider interest in obtaining a licence to operate at the facility. Council will now engage with agencies who express interest in the facility, and who are willing to embrace a modern way of operating a quality saleyard for the benefit of all producers and everyone involved in the beef industry in the Richmond Valley and across the Northern Rivers.



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Stephen Morrissey
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Patrick Deegan
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Robert Hayes
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Sandra Humphrys
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