

Submission

Proposed Changes to WA Livestock Sale Days

To:
**Western Australian Muchea Livestock Agents and WA
Meat Industry Authority (WAMIA)**

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Prepared by WAFarmers Federation

Contact: Kim Haywood

Executive Officer - Policy

Tel: (08) 9486 2100 **Mobile:** 0475 944 319 **Email:** kimhaywood@wafarmers.org.au **Website:** www.wafarmers.org.au

The Western Australian Farmers Federation 125 James Street GUILDFORD WA 6055 | PO Box 68 GUILDFORD WA 6935

Agriculture in Western Australia

The Western Australian Farmers Federation Inc. (WAFarmers) is the State's largest and most influential rural advocacy and service organisation. Founded in 1912, WAFarmers boasts a membership of over 4,200 farmers including grain growers, meat and wool producers, horticulturalists, dairy farmers, commercial egg producers and beekeepers. Collectively our members are major contributors to the \$5.5 billion gross value of production that agriculture in its various forms contributes annually to Western Australia's economy. Additionally, through differing forms of land tenure, our members own, control and capably manage many millions of hectares of the State's land mass and as such are responsible for maintaining the productive capacity and environmental wellbeing of that land.

WAFarmers Federation welcomes the opportunity to provide comments to the consultation on proposed changes to WA Livestock Sale Days.

Introduction:

WAFarmers is very supportive of the livestock saleyard system. We believe the saleyard system is an important part of the supply chain and plays a critical role in maintaining and building strong competitive stock prices across Australia.

Given the considerable investment (\$53.5m) made by the public via the government towards the establishment of the Muchea Livestock Centre, we must all work together to resolved the management and operational issues so the business can function in an efficient and profitable manner for many years to come.

WA Farmers understand the reasons why the Livestock Agents are proposing the sale date changes but we do not believe proper consultation has occurred on this proposal, particularly with livestock producers, transporters, livestock agents and others who will be affected by these date changes.

Changing the sale dates will only push the staffing issues onto someone else, it will not resolve the problem long term. In fact, we believe the sale date changes could divert sale stock and potential buyers to other yards, and if this occurs it could result in a significant loss of income.

WAFarmers is of the view that further consultation must occur and other options investigated before any changes to the sale dates are implemented. On this basis, we ask WAMIA to delay the proposed sale date changes scheduled for April.

WAFarmers is aware of the issues that have plagued Muchea Livestock Centre since 2012; particularly the ongoing staffing and management issues that have resulted in poor weighing practices, drafting and penning errors, incorrect invoicing and so on. But we believe a solution can be found to resolve these problems without having to change the sale dates. Changing the sale dates might fix the symptoms, but not the cause.

WAFarmers would like to suggest a number of options for consideration. These include:

- a. A review of the business model around the joint venture. For example, the logistics problems seem to have generated out of management issues within Livestock Logistics WA

(LLWA). Is there an opportunity to replace LLWA by initiating a competitive tendering process for interested and capable independent contractors to come forward to complete this role and report to WAMIA board? A competitive tender would set KPI's for all the management team, not just the CEO. A criterion must be that the management has a good and proficient understanding of livestock management, welfare, husbandry and staffing requirements.

- b. We question why the livestock agents aren't receiving, transferring and dispatching the livestock they are accountable for during sale days. Can this process replace the operations of LLWA to streamline efficiencies?

WAFarmers are concerned that the proposed sale date changes will cause massive upheaval for all concerned across the supply chain with negative rather than positive consequences for Muehea.

The proposed sale date changes will disrupt normal trading patterns particularly for transporters and will increase stock transport costs for livestock producers. Both issues can be avoided by adopting other changes.

Comments to the proposals to change the sale dates

WAFarmers would like to offer the following comments on the proposals to change the sale dates.

1. Staffing Issues on Sunday

WAFarmers believes there are two key issues to be addressed.

- a. Sorting out the management issues within LLWA, or replacing it, and
- b. Agreeing how WAMIA will manage and coordinate the joint venture arrangement or an independent contractor in the future.

WAFarmers is aware that ongoing issues with the LLWA management have resulted in the staffing issues at the site. These include the manager not being present at the site for long periods at a time, staff received little guidance or direction, staff getting hurt, animal welfare and handling issues, and increasing levels of frustration because problems were not being resolved. All these issues led to experienced staff leaving the position. LLWA management then employed inexperienced staff to fill spots without providing the proper animal welfare, handling and administrative training. This situation has become worse over the last 12 months as more people left and less people were prepared to accept jobs. Hence, the Sunday staffing issue.

These problems can be resolved by initiating a competitive tendering process for a capable and interested independent contract to deliver these services. Alternatively, and possibly the best option is, for livestock agents to provide this service, as is the case in many other selling centres, for their clients, effectively replacing the need for LLWA.

The assertion that Sunday pay rates is the issue we believe is incorrect in this instance. Changing the sale dates will only pass the Sunday staffing problem onto other operators most of whom are already dealing with this issue. This will not be well received by the industry and could result in business being diverted to other centres at a cost to Muehea. Surely, this is not the objective of WAMIA. All businesses have weekend employment issues to consider, it is not a specific issue to Muehea.

2. Perceived impacts as a result of the changes

WAFarmers have been told by transporters, agents and livestock producers that the sale date changes will interfere with normal and well established trading patterns from north to south of the State. If the sale date changes go ahead it could result in less buyers at Muchea, less stock being sold through the centre and increased freight charges for producers still choosing to sell at Muchea.

The normal trading patterns have formalised over many years and the movement of stock from south to north has meant synergies have been developed whereby livestock are sold and purchased at Muchea and then transported south. Trucks are then in the right area for transporting animals away from the Katanning saleyards.

For example, the majority of sheep buyers are located in the south of the state, so swapping sale days would result in empty back loads for livestock transporters. The changes don't allow transport companies to access both yards and have trucks loaded efficiently, for the seller or the buyer. We have also been told that processor buyers will choose to 'top up' from other saleyards like Katanning rather than source their stock from Muchea.

We also question why cattle and sheep can't be sold on the same day at Muchea and would like WAMIA to investigate this.

3. Wider Consultation

WAFarmers does not believe there has been robust and widespread consultation on these changes and that a better solution could be adopted if due consideration is given to other solutions.

WAFarmers requests further consultation must occur with livestock producers, transporters and livestock agents before any final decision is made on changing the sale dates.

Summary

The management issues within LLWA are a well-known fact and WAFarmers has offered suggestions to resolve this situation as noted above.

WAFarmers strongly advise the WAMIA Board and associated Livestock Agents to reconsider their position on changing the livestock sale dates as planned for April. We would encourage the WAMIA Board to address and resolve the management issues occurring within LLWA first, particularly the staffing issues as noted above, before instigating any changes to the sale dates.

WAFarmers are concerned that if the proposed sale date changes go ahead as planned, the negative impacts of these for the Muchea Livestock Centre could be more significant than expected. We don't believe enough thought and consideration has been put into all the associated issues and implications around these changes.

WAFarmers would encourage caution with this proposal and suggest all possible options are investigated in full consultation with livestock producers, transporters and agents before any decision to actually change the sale dates is made.