

Information Pack

Expressions of Interest

For any Queries and Questions please email procurement@dubbo.nsw.gov.au

Dubbo Regional Livestock Markets

Issue Date: 16 April 2024

Closing Time: 2pm

Closing Date: 14 May 2024

BACKGROUND

The Dubbo Regional Livestock Markets (DRLM) was originally known as the Troy Saleyards and was owned by the Talbragar Shire before amalgamation with the Dubbo City Council in 1980. The Troy Saleyards were commissioned on 28 June 1950 after being relocated from West Dubbo to its present location. The DRLM has been operating as a regional saleyard for over 70 years.

Now located on 38.92 hectares of land, the livestock market has grown since its establishment from a small monthly sale operation into the huge selling facility that it now is.

Presently, 13 licensed stock and station agents operate at the DRLM, ensuring a maximum of efficiency and service to clients. The sales are supported by numerous meat packing companies and butchers.

Over time the DRLM has become a major livestock market facility and has grown to be one of the largest saleyards in the nation in terms of combined sheep and cattle throughput.

The DRLM has been run by local government over this entire period, and is currently run by Dubbo Regional Council.

Dubbo Regional Council has embarked on a service review program of all its services to the community. The DRLM has been part of this service review program. The purpose of the service review was to explore the most effective business structure for the continued operation of the DRLM.

The review has explored three models for the ongoing operation of the DRLM. These are;

1. Dubbo Regional Council owned and operated facility (improved status quo);
2. Selling the leasehold of the facility (DRC retain ownership of the site as landlord); and
3. Selling both the freehold and leasehold) of the facility.

Council at its Ordinary Council Meeting held on the 21st of March 2024 resolved to undertake an Expression of Interest process for either the Lease or Sale of the DRLM facility. Following the Outcome of the EOI a business case will developed for Council Consideration.

Objectives / Structure of EOI

Council is seeking responses to this EOI to:

- Understand the characteristics of the potential market for the saleyards business, including the type and number of interested parties and their sale and leasing preferences;
- Assess the capability of the Respondents to operate the DRLM as an ongoing, viable commercial concern in line with Council's requirements based on the evaluation criteria as set out within this EOI; and
- Gain a commitment from respondents to the EOI to the long-term operations of the DRLM as a livestock saleyard.

Council's principal objectives in relation to the business and the site are to:

- Achieve the best outcomes for the Dubbo community and economy, having regard to the long-term cumulative benefits derived from this EOI.
- Ensure the long-term sustainability and viability of the DRLM for the benefit of all stakeholders; and
- Endeavour to operate the DRLM as a financially self-sufficient commercial asset, whilst maintaining compliance with legislative and animal welfare requirements.

Scope

Respondents to this EOI are requested to submit proposals for either the long-term lease of the DRLM or the freehold purchase of the DRLM, or Responders can provide proposals for both the long-term lease of the DRLM and the freehold purchase of the DRLM. Included within these proposals will be the proposed financial and legal structure of each proposal detailing the rental and capital payments proposed for the transfer of the DRLM Dubbo Regional Council to the respondent.

For the freehold purchase of the DRLM Responders will be required to provide their best purchase price as a one-off capital payment to DRC.

For the leasehold structure respondents should provide the commercial terms under the following framework.

1. Term of lease – 20 years, or 10 years + 2 x 5 year options,
2. Rental Structure – this could include a fixed amount per annum or combination fixed annual component and revenue component based on a per head of stock sold per annum.
3. Rent reviews – the suggest annual reviews would be Sydney All Groups CPI increases with a market review to be undertaken on the fifth anniversary of the lease.

In addition to financial independence and sustainability, Council seeks an operating model that mitigates DRC exposure to operational risk, while ensuring the DRLM operates in accordance with legislative and environmental requirements and animal welfare standards.

Respondents will also need to address the mandatory and weighted Criteria.

The DRLM Business Structure

The DRLM are situated on 38.92ha of land on the Boothenda Road North Dubbo. The trading days for the saleyards is Mondays sheep sale, Tuesdays by arrangement for goat sales (generally quarterly), Thursdays prime cattle sale, and Fridays store cattle sale by arrangement (Generally every second Friday). Sale day details and other useful information including facilities, agents information and corporate information can be found at <https://www.dubbo.nsw.gov.au/livestock>.

Dubbo Regional Council operates and maintains the saleyard infrastructure as detailed below. Dubbo Regional Council is responsible for the following general duties

- Maintenance and construction of the yards
- Operation of the effluent disposal system
- Cleaning and maintenance of the water troughs system
- General cleaning and saleyard washdown
- Removal and disposal of dead stock
- Independent bookkeeping
- Joint operation of the weighbridge with the Dubbo Stock and Station Agents, and the annual certification audits of weighbridge facilities.
- The provision of maintenance and upkeep of the truck wash facilities.
- The provision of maintenance and upkeep of buildings and amenities infrastructure.

DRC recovers fees and charges for the provision of the above services which include yard dues, agent licence fees, transit stock fees, destruction & disposal fees, truck washing charges as well as other miscellaneous charges covering provision of Council services for animal husbandry, veterinary care, feeding, and other administrative matters.

Sale days at DRLM are run by Dubbo Stock and Station Agents via agreement with the Agents and Dubbo Regional Council as the owner and manager of the DRLM facilities.

Historically DRC has held individual Licence Agreements with each of the agents that operate at DRLM which specifies the conditions under which they operate at the DRLM. New or existing Agents can make application to DRC for a special sale day which is then determined by DRC in consultation with the DSSA.

There are a number of leases and licences associated with the operations and DRC's ownership of the DRLM. These include leases in the selling ring complex to the DSSA for office space, a lease to Meat and Livestock Australia for offices space and lease for the cafeteria to Holy Funk.

There have been a number of advertising licenses entered into over prior periods and there is currently only one active licence to Shearwell.

DRLM also has an agreement with the DSSA and meets 50% of the cost for the Dubbo Stock and Station Agents Association to employ a stock receiver officer who maintains a security presence as a night watchman seven (7) nights per week.

There is also a saleyard washdown agreement for the regular removal of effluent after sale day auctions.

There are currently three feeders present onsite who supply stock feeding services directly to producers. One feeder Nester has a lease over the saleyard haysheds for the storage of his hay.

The truck wash facilities billing services are provided by AVDATA via their AVDATA key billing system.

All rental revenues and contractual costs are included in the EOI financial summary section.

The Saleyard facilities currently consists of the following:

- Administration building
- Workshop and plant/machinery storage sheds
- Selling pens for cattle and sheep
- Resting paddocks
- Covered selling ring
- Public café: lease to Holy Funk Café
- Offices lease to
 - Dubbo Stock & Station Agents Pty Ltd
 - Meat Industry Australia Limited
- Hay sheds leased to 1 of 3 feeders
- 7 truck washing bays
- 2 cattle scales
- 4 cattle crushes
- Effluent system
- Two electric over air, undercover draft facilities
- Water facilities for stock

A raw water supply is drawn from the Macquarie River and from a bore and pumped to reservoir tanks on saleyards land to facilitate stock drinking water, yard wash-downs and truck wash.

Town water for use in the canteen and amenities block is available by way of a pipeline from Bootherba road. Town water can be used to supplement bottom truck wash.

There is an electronic web-based monitoring system on the main tanks and feeder tanks so water levels can be monitored remotely, and alarms raised via email and SMS if water levels drop below critical levels. In addition, this system is used to control the main bore pump.

Effluent storm water from the yard areas is disposed of by way of an effluent disposal system and recycled for yard wash down purposes.

The livestock selling/resting facilities currently comprise:

Cattle

- 430+ Selling pens all serviced with water
- 77 Delivery yards – rubber covered concrete and dirt all serviced with water
- 33 receival yards with access to water
- 10 loading ramps – including four double-deck ramps, one side loader
- 7 unloading dumps

Sheep

- 848 selling and delivery pens all concrete and water in delivery pens
- 17 loading and unloading ramps, 7 dumps and 130 associated concrete yards and drafts

Resting Paddocks

- 12 small sheep paddocks with water
- 62 large paddocks for cattle and sheep with water

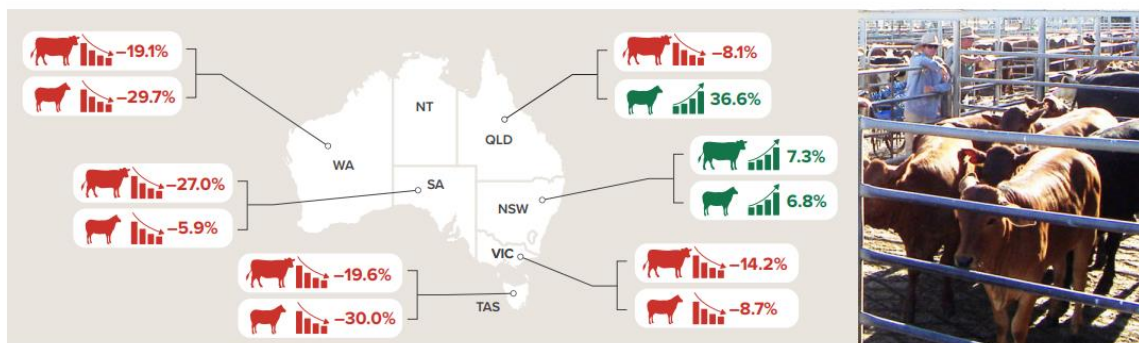
Selling Ring

This selling ring provided a facility for the sale of goats and stud cattle and has tiered seating for buyers and spectators. This facility has not been used for this purpose in many years.

Market Overview

Meat & Livestock Australia (MLA) is a research, development and marketing service provider to the Australian red meat and livestock industry. The Meat and Livestock Australia (MLA) is a producer-owned company providing marketing and research and development services. The MLA annual Saleyard Survey is designed to identify the total number of cattle and sheep consigned to Australia's saleyards over the course of a financial year. National Livestock Reporting Service 2023 saleyard survey results released 05 October 2023.

Key numbers – state saleyard transactions % change year-on-year 2021–22



National Livestock Reporting Service Saleyard survey Results for the 2022-2023 saleyard survey

Key points highlighted in the MLA annual Saleyard Survey:

- In the 2023 financial year, nearly 16.4 million livestock transactions for sheep and cattle occurred across Australia. Down from 16.8 million in the previous financial year.
- The herd and flock rebuilds in NSW drove improvements in transactions of sheep and cattle across the state.
- NSW sheep, NSW cattle and Queensland sheep transactions were the only state and species level throughput volumes to increase. All other states and species transaction volumes fell compared to the previous financial year.
- The cyclical nature of the herd and flock rebuilds alongside changing market conditions can be attributed to adjustments in livestock supply via the saleyards as producers choose different sales channels to market their stock.

The link to the full report provided below:

https://www.mla.com.au/contentassets/0e08a3fd82f146ac81ea20c9b56cc6df/mla_nlrs_saleyardsurvey-2022-23.pdf

DRLM is currently ranked as the highest saleyards transactions for Cattle and third for Sheep. The detailed list of yards is provided below.



New South Wales cattle saleyard transactions

Town	Saleyard	State	2021/22	2022/23	% of State	% Change
Dubbo	Dubbo Regional Livestock Market*	NSW	122,289	153,164	12.3%	25.2%
Tamworth	Tamworth Regional Livestock Exchange*	NSW	124,863	133,485	10.7%	6.9%
Casino	Northern Rivers Livestock Exchange*	NSW	123,713	117,131	9.4%	-5.3%
Wagga Wagga	Wagga Wagga Livestock Marketing Centre*	NSW	107,274	115,509	9.3%	7.7%
Carcoar	Central Tablelands Livestock Exchange*	NSW	102,770	108,888	8.7%	6.0%
Gunnedah	Gunnedah Regional Saleyard*	NSW	65,532	79,639	6.4%	21.5%
Inverell	Inverell Regional Livestock Exchange*	NSW	61,949	59,709	4.8%	-3.6%
Yass	South Eastern Livestock Exchange*	NSW	45,029	44,117	3.5%	-2.0%
Forbes	Central West Livestock Exchange*	NSW	40,087	41,588	3.3%	3.7%
Maitland	Maitland Saleyards	NSW	38,005	38,325	3.1%	0.8%
Moss Vale	Southern Regional Livestock Exchange*	NSW	30,804	37,324	3.0%	21.2%
Scone	Scone Regional Livestock Selling Centre*	NSW	30,920	36,959	3.0%	19.5%
Grafton	Grafton Regional Livestock Selling Centre	NSW	40,385	34,434	2.8%	-14.7%
Singleton	Hunter Regional Livestock Exchange*	NSW	28,684	30,305	2.4%	5.7%
Armidale	New England Livestock Selling Facility*	NSW	24,409	29,477	2.4%	20.8%
Kempsey	Kempsey Regional Saleyards	NSW	35,941	29,162	2.3%	-18.9%
Mudgee	Midwestern Regional Council Saleyards	NSW	18,221	21,937	1.8%	20.4%
Bega Valley	Bega Valley Saleyard / Pambula	NSW	18,792	20,225	1.6%	7.6%
Gloucester	Gloucester Saleyards	NSW	17,671	18,747	1.5%	6.1%
Dunedoo	Dunedoo Saleyards	NSW	23,206	18,612	1.5%	-19.8%
Coonamble	Coonamble Saleyards	NSW	10,478	15,520	1.2%	48.1%
Macksville	Macksville Saleyards	NSW	12,814	13,670	1.1%	6.7%
Tenterfield	Tenterfield Livestock Selling Centre	NSW	10,693	13,506	1.1%	26.3%
Cooma	Cooma Saleyards	NSW	9,501	11,250	0.9%	18.4%
Braidwood	Braidwood Saleyards	NSW	9,764	8,687	0.7%	-11.0%
Glen Innes	Glen Innes Severn Regional Saleyards	NSW	9,674	7,855	0.6%	-18.8%
Finley	Finley Livestock Exchange	NSW	8,988	7,395	0.6%	-17.7%
Gundagai	Gundagai Livestock Exchange	NSW	2,225	2,105	0.2%	-5.4%
Total		NSW	1,163,468	1,248,725		7.3%



New South Wales sheep saleyard transactions

Town	Saleyard	State	2021/22	2022/23	% of State	% Change
Wagga Wagga	Wagga Wagga Livestock Marketing Centre*	NSW	2,005,901	2,125,276	29.8%	6.0%
Forbes	Central West Livestock Exchange*	NSW	1,042,078	1,130,910	15.8%	8.5%
Dubbo	Dubbo Regional Livestock Exchange*	NSW	808,693	1,000,469	14.0%	23.7%
Yass	South Eastern Livestock Exchange*	NSW	574,096	573,982	8.0%	0.0%
Corowa	Corowa Saleyards*	NSW	530,775	524,128	7.3%	-1.3%
Griffith	Griffith Livestock Marketing Centre*	NSW	396,000	397,000	5.6%	0.3%
Carcoar	Central Tablelands Livestock Exchange*	NSW	321,882	307,964	4.3%	-4.3%
Tamworth	Tamworth Regional Livestock Exchange*	NSW	171,488	225,828	3.2%	31.7%
Deniliquin	Deniliquin Saleyards*	NSW	218,146	208,901	2.9%	-4.2%
Cowra	Cowra Saleyards*	NSW	217,651	200,225	2.8%	-8.0%
Guyra	Guyra Saleyards*	NSW	104,599	137,177	1.9%	31.1%
Dunedoo	Dunedoo Saleyards	NSW	95,866	94,339	1.3%	-1.6%
Inverell	Inverell Regional Livestock Exchange	NSW	54,674	67,216	0.9%	22.9%
Finley	Finley Livestock Exchange	NSW	65,150	61,420	0.9%	-5.7%
Glen Innes	Glen Innes Severn Regional Saleyards	NSW	34,574	49,961	0.7%	44.5%
Cootamundra	Cootamundra Saleyards*	NSW	44,097	34,705	0.5%	-21.3%
Total		NSW	6,685,670	7,139,501		6.8%

Economic Impact of the DRLM

Research was undertaken in 2019 to ascertain the Economic Impact of the DRLM on the Dubbo economy which indicated that the Markets contribute \$60.902 million in total output and supports 307 full time equivalent positions.

Financial Summary of current and future Saleyard Operations

For the information of Responders the following summary of financial performance over the previous five year period has been provided. The Below highlights the financial performance from 2018-2023. It is noted that the figures include a corporate overhead allocation cost of DRC supportive resources such a HR/IT/insurance.

Income Statement – Livestock Markets	Actual					
	2018	2019	2020	2021	2022	2023
Income from continuing operations						
User charges	4,098	3,342	2,701	2,282	2,611	3,407
Other income	28	39	35	42	38	40
Total income from continuing operations	4,126	3,381	2,736	2,324	2,649	3,447
Expense from continuing operations						
Employee benefits and on-costs	558	671	822	675	651	786
Materials and contracts	1,229	1,206	1,317	1,323	1,672	1,648
Depreciation, amortisation and impairment	1,295	1,347	1,345	1,285	1,801	1,753
Loss on sale of assets	0	202	3	0	67	943
Calculated taxation equivalents	12	12	7	30	30	29
Other expenses	210	219	0	0	0	0
Total expenses from continuing operations	3,304	3,657	3,494	3,313	4,221	5,159
Surplus (deficit) from continuing operations before capital amounts	822	-276	-758	-989	-1,572	-1,712
Grants and contributions provided for capital purposes	329	176	556	386	0	10
Surplus (deficit) from continuing operations after capital amounts	1,151	-100	-202	-603	-1,572	-1,702
Surplus (deficit) from all operations before tax	1,151	-100	-202	-603	-1,572	-1,702
Less: corporate taxation equivalent	-226	0	7	30	30	29
SURPLUS (DEFICIT) AFTER TAX	925	-100	-195	-573	-1,542	-1,673
Plus accumulated surplus	25,050	26,213	26,125	25,937	25,394	23,882

Historical EBITDA numbers						
	Actual	Actual	Actual	Actual	Actual	Actual
	2018	2019	2020	2021	2022	2023
	2,446	1,247	1,143	682	229	51

Further additional financial information can be obtained from the DRC website [2022/2023 Dubbo Regional Council Financial Statements](#) in the Special Purpose Financial Statement section.

Ownership and Asset Listing Details

The DRLM is situated on two title lots covering an area of 38.92ha those being

- Lot 100 DP1210519 - 22.09ha
- Lot 60 DP580652 - 16.83ha

The asset listing details for the saleyard infrastructure and facilities confirm an asset value of \$56,943,750.40 and a current written down value of \$30,433,154.96.

Timetable

The timetable below provides details of key events and dates with regard to this Tender process. Dates may vary.

Event	Date
RFx Release:	16 April 2024
RFx onsite inspection:	Upon request
Clarification and Questions Close:	7 May 2024
<i>RFx Closing Date:</i>	14 May 2024
<i>RFx Closing Time:</i>	2PM
<i>RFx Lodgement:</i>	<p>Council's nominated Electronic Tender box:</p> <ul style="list-style-type: none"> • procurement@dubbo.nsw.gov.au <p>Council's physical Tender Box:</p> <p>Dubbo Regional Council Administration Building Cnr Church and Darling Street Dubbo, NSW, 2830</p> <p>PO Box 81 Dubbo NSW 2830</p>
For any Queries and Questions please email procurement@dubbo.nsw.gov.au	