



TE KAUNIHERA Ā ROHE O
WHAKAAHURANGI
STRATFORD
DISTRICT COUNCIL

Our reference
F19/13/03-D21/26182

16 March 2023

Farm and Aerodrome Committee

Notice is hereby given that the Farm and Aerodrome Committee Meeting will be held in the **Council Chambers, Stratford District Council, 63 Miranda Street, Stratford** on **Tuesday 21 March 2023** beginning at 12noon.

Timetable for 21 March 2023 as follows:

11.00am	Workshop for Farm and Aerodrome
12 noon	Farm and Aerodrome Committee
1.30pm	Workshop for Councillors Annual Plan financials

Yours faithfully

Sven Hanne
Chief Executive

2023 - Agenda - Farm and Aerodrome - March

21 March 2023 09:00 AM - 05:00 PM



Agenda Topic	Page
Notice of Meeting	1
Agenda	3
1. Welcome	6
1.1 Opening Karakia	6
1.2 Health and Safety Message	7
2. Apologies	
3. Announcements	
4. Declarations of Members Interest	
5. Attendance Schedule	8
6. Confirmation of Minutes	9
7. Matters Outstanding	15
8. Programme of Works	16
9. Decision Report – Revised 2022/2023 Annual Plan Budget for the Farm	17
10. Decision Report – Draft Budget for Annual Plan 2023/2024	23
11. Information Report – Risk Review	30
12. Quarterly Report – Farm and Aerodrome Business and Financial Report	38
13. Quarterly Report – Health and Safety Update	48
14. Questions	
15. Closing Karakia	51

AGENDA

Farm and Aerodrome Committee



F22/55/05-D23/10032

Date: Tuesday 21 March 2023 at 12noon
Venue: Council Chambers, 63 Miranda Street, Stratford

1. [Welcome](#)

1.1 Opening Karakia
D21/40748 Page 6

1.2 Health and Safety Message
D22/17082 Page 7

2. [Apologies](#)

3. [Announcements](#)

4. [Declarations of Member's Interest](#)
Elected members to declare any real or perceived conflicts of interest relating to items on this agenda.

5. [Attendance Schedule](#)
Attendance schedule for Farm & Aerodrome Committee meetings.

6. [Confirmation of Minutes](#)

6.1 Farm and Aerodrome Committee Meeting – 6 December 2022
D22/47547 Page 9

Recommendation

THAT the confirmed minutes of the Farm and Aerodrome Committee Meeting held on Tuesday 6 December 2022 be received.

/
Moved/Seconded

7. [Matters Outstanding](#)
D20/11504 Page 15

Recommendation

THAT the matters outstanding be received.

/
Moved/Seconded

8. Programme of Works
D20/28552 Page 16

Recommendation

THAT the Programme of Works be received.

/
Moved/Seconded

9. Decision Report – Revised 2022/2023 Annual Plan Budget for the Farm
D23/9371 Page 17

Recommendations

1. THAT the report be received.
2. THAT the Committee approves the changes to the 2022/2023 annual plan budget for the farm.
3. THAT the Committee recommends to Council to approve the new revised 2022/2023 annual plan budget for the Farm.

Recommended Reason

To obtain approval for the revised budget

/
Moved/Seconded

10. Decision Report – Draft Budget for Annual Plan 2023/2024
D23/9428 Page 23

Recommendations

1. THAT the report be received.
2. THAT the draft budget for both the Farm and Aerodrome be approved for inclusion in the Annual Plan 2023/24.
3. THAT the Committee approve the transfer from the Farm reserve balance of \$68,512 to be used for rates mitigation in 2023/24.

Recommended Reason

To get approval of the financial budgets.

/
Moved/Seconded

11. Information Report – Risk Review
D23/7529 Page 30

Recommendation

THAT the report be received.

Recommended Reason

To update the Farm and Aerodrome Committee of changes to both the Farm and Aerodrome Risk Registers and advise the Committee of any incidents in relation to the identified risks.

/_____
Moved/Seconded

12. Quarterly Report – Farm and Aerodrome Business and Financial Report
D23/8523 Page 38

Recommendation

THAT the report be received.

Recommended Reason

This report provides a quarterly business and financial update to the Farm and Aerodrome Committee. It highlights the milk production from the current season at the farm and reports on the key activities at the Aerodrome.

/_____
Moved/Seconded

13. Quarterly Report – Health and Safety Update
D23/8499 Page 48

Recommendation

THAT the report be received.

/_____
Moved/Seconded

14. Questions

15. Closing Karakia
D21/40748 Page 51



Our reference
F19/13/03-D21/40748

Karakia

Kia uruuru mai
Ā hauora
Ā haukaha
Ā haumāia
Ki runga, Ki raro
Ki roto, Ki waho
Rire rire hau Paimārire

I draw in (to my being)
The reviving essence
The strengthening essence
The essence of courage
Above, Below
Within, Around
Let there be peace.



Our reference
F19/13/03-D22/17082

Health and Safety Message

In the event of an emergency, unless guided to an alternative route by staff, please exit through the main entrance. Once outside the building please move towards the War Memorial Centre congregating on the lawn area outside the front of the council building.

If there is an earthquake, please drop, cover and hold where possible. Remain indoors until the shaking stops and you are sure it is safe to exit or remain where you are until further instruction is given.

5. Attendance schedule for 2022 Farm and Aerodrome Committee meetings.

Date	06/12/22				
Meeting	FA				
Neil Volzke	✓				
Steve Beck	✓				
Grant Boyde	✓				
Annette Dudley					
Jono Erwood					
Ellen Hall					
Amanda Harris	(AV)				
Vaughan Jones	✓				
Min McKay					
John Sandford	✓				
Clive Tongaawhikau					
Mathew Watt					

Key	
FA	Farm and Aerodrome Committee Meeting
✓	Attended
A	Apology/Leave of Absence
AB	Absent
S	Sick
	Non committee member
(AV)	Meeting held, or attended, by Audio Visual Link

MINUTES

Farm and Aerodrome Committee



F22/55/05– D22/47547

Date: Tuesday 6 December 2022 at 12noon
Venue: Council Chambers, 63 Miranda Street, Stratford

Present

Councillor G W Boyde (the Chairman), the District Mayor N C Volzke, Councillors S J Beck and V R Jones, and Committee Members: the Director Corporate Services – Mrs T Radich, and the Property Officer – Mrs S Flight.

In attendance

Councillors W J Sandford and A K Harris (*via audio visual link*)

The Chief Executive – Mr S Hanne, the Director – Assets – Mrs V Araba, the Director – Environmental Services – Mr B Sutherland, the HR & Governance Administrator – Mrs C Reynolds, the Projects Engineer/Manager – Mr S Taylor (*part meeting*) and one member of the media (Stratford Press).

1. Welcome

The Chairman welcomed the Chief Executive, Councillors, staff, and the media.

1.1 Opening Karakia D21/40748 Page 6

The opening karakia was read.

1.2 Health and Safety Message D21/26210 Page 7

The Chairman reiterated the health and safety message and emergency procedures.

2. Apologies

Apologies were received from Councillors A M C Dudley, C M Tongaawhikau and the Director – Community Services – Ms K Whareaitu,

Recommendation

THAT the apologies be received.

BOYDE/VOLZKE
Carried
F&A/22/26

3. Announcements

There were no announcements.

4. Declarations of Members Interest

The Chairman requested Councillors to declare any real or perceived conflicts of interest relating to items on this agenda. There were no declarations of interest.

5. Attendance Schedule

The attendance schedule for Farm & Aerodrome Committee meetings was attached.

6. Confirmation of Minutes

6.1 Farm and Aerodrome Committee Meeting – 20 September 2022
D22/36048 Page 9

Recommendation

THAT the confirmed minutes of the Farm and Aerodrome Committee Meeting held on Tuesday 20 September 2022 be received.

JONES/VOLZKE
Carried
F&A/22/27

7. Matters Outstanding

D20/11504 Page 15

Recommendation

THAT the matters outstanding be received.

BOYDE/VOLZKE
Carried
F&A/22/28

8. Programme of Works

D20/28552 Page 16

Recommendation

THAT the Programme of Works be received.

BECK/JONES
Carried
F&A/22/29

The Director – Corporate Services noted the draft budget for 1 July 2023 will be presented at the March 2023 Farm and Aerodrome meeting. If there is anything the committee would like to include please let Officers know.

Questions/Points of Clarification:

- It was noted that the Committee Strategic Review which was planned to be undertaken at this meeting has now been postponed to the June 2023 Farm and Aerodrome meeting. As this meeting is the first meeting of this term with a new Councillor appointed to the committee, it has been postponed to allow the new member further understanding before the Committee Strategic Review is completed.

Points noted in discussion:

- As a result of auditors being behind schedule with the annual report, officers have been unable to proceed from the annual report to the annual plan reports for the farm and aerodrome.

9. Decision Report – Stratford Aerodrome – Hangar Site Lease
D22/46317 Page 17

Recommendations

1. THAT the report be received.

BOYDE/JONES
Carried
F&A/22/30

2. THAT the Committee consents to the applicant constructing a new hangar at the Stratford Aerodrome and approve the proposed location.

3. THAT the Committee recommends to Council to grant a new site lease at the Stratford Aerodrome to the applicant to construct a new Hangar, with the rental for the site be set in accordance with the rate currently paid by current leases relative to the Aerodrome.

4. THAT the term of the lease be for a period of 10 years with an option for a further term of up to 10 years.

BOYDE/VOLZKE
Carried
F&A/22/31

Recommended Reason

Currently there are no available hangars to lease at the Aerodrome. A new hangar is required to be constructed to allow the applicant to be based at the Aerodrome.

The Property Officer noted that since the report was published the Stratford Aero club have advised that the quotes for the new hangar have come back quite high, therefore they are now looking at a combined hangar which will determine if the applicant will continue with the build. Approval is still being sought from the committee today.

Questions/Points of Clarification:

- The Chairman queried that in the report states the proposed site for the new hanger is inconsistent with the Aerodrome Management Plan. It also states “this could be a safety issue that would need to be assessed if a further request for a new hanger is made to Council”, do the likes of CAA or Airbiz need to complete this assessment?
- It was clarified that Airbiz attempted to come up with the future strategic plans as it was envisioned one day more space was going to be required. The recommendations were not without argument from aero users. Given that the report is approximately 10 years old, many of the aero users may have changed. It was recommended to refresh the strategic plan. As no budget is currently allocated for such a review it is recommended to refer this to the annual plan process.
- The District Mayor noted his support for the recommendation to approve the location of the new hangar. He wanted to add the brief for the Airbiz consultants for the future strategic plan was to not encroach on the farm as at the time the Council did not own the neighbouring farm, and did not want to forgo any of the existing farm to make room for new hangars. Now that the council owns the neighbouring farm there could be more scope of doing this. He recommended if a future consultant was hired, they should be given more freedom to recommend the best plan.
- Councillor Sandford disagreed in regards to forgoing farm land, as the farm makes more money for the Council. He sought clarification on if development costs for new hangars are incorporated into the cost of ground rental. It was noted that the Council did not have a set price and there were multiple ways to incorporating prices into the rent.
- The Chairman questioned the timeline for the review of the strategic plan for the aerodrome in light that another business may want to establish itself at the aerodrome. It was noted the report could be completed within three to six months from the start of the financial year. The timing of any new business wanting to establish at the aerodrome is currently unknown.

Recommendation

THAT funding for a review of the Strategic Plan for the aerodrome be referred to the Annual Plan process.

VOLZKE/BOYDE
Carried
F&A/22/32

10. Information Report – Risk Review

D22/45991 Page 23

Recommendation

THAT the report be received.

BOYDE/JONES
Carried
F&A/22/33

Recommended Reason

To update the Farm and Aerodrome Committee of changes to both the Farm and Aerodrome Risk Registers and advise the Committee of any incidents in relation to the identified risks.

Points noted in discussion:

- Councillor Jones noted the observation that the description of risk number 8 is specific to the health and safety of a lone worker, however the risk of a farm accident e.g., rolling a motorbike are present for any workers regardless if they are alone or not. The Chairman supported this observation and requested the review of the wording of risk number 8 be added to matters outstanding

11. Quarterly Report – Farm and Aerodrome Financial Report

D22/46227 Page 31

Recommendation

THAT the report be received.

Beck/jones
Carried
F&A/22/34

Recommended Reason

This report provides a quarterly business and financial update to the Farm and Aerodrome Committee. It highlights the milk production from the current season at the farm and reports on the key activities at the Aerodrome.

The Property Officer noted that the RD Petroleum main construction would be completed 6 December, once the inspection of the site has been completed filling would be able to commence next week.

Questions/Points of Clarification:

- The Chairman sought further clarification on the matters outstanding pertaining to the aerodrome lease. Mrs Flight suggested the boundary of the Aerodrome could be split between the Aerodrome and Farm, however the farmers would not graze it if they had to pay.
- Councillor Jones questioned what was meant when it is stated the Sharemilkers maintain the area, where is the location of the land and if it would be beneficial for the council to lease the land to someone else, or do something else with it. It was noted the land is fenced between the farm and aerodrome and is there as a safety space for emergency run-off of the runway. However it is not mowed as it is not intended as part of the runway. Leasing this land out is not practical, third party taking feed off it would require health and safety pre-qualified contractors.
- The Chairman clarified the Sharemilker could not use the land on weekends or any event days so to graze the land was not simple for them. As it would cost more for a contractor to mow the land it is in the Councils best interest that it is used by the Sharemilkers and he did not believe there was anything in the contract in regards to the Sharemilkers paying half of the lease.
- It was noted that this piece of land was 6 hectares.
- Councillor Jones requested further detail on the land, such as is it beneficial for a third party to cut and carry from the land, what do the Sharemilkers do to maintain the land? Do they keep it short and add fertiliser? It was noted the Sharemilkers make feed from the land.
- Mrs Araba clarified the huge logistical issues if the Council initiated a third party coming into site for health and safety for staff and people using that area. The cost of Downers mowing the land is going to cost more than the Sharemilkers maintaining it.
- Councillor Jones stated that without the facts and figures an accurate assessment cannot be made, what is the difference between someone else maintaining the land compared to the Sharemilker?
- Councillor Beck agreed that there is not much of a cost benefit to the Sharemilker in maintaining the land and that it is a favour to the council. There is not much of a cost benefit to lease to a third party.
- The District Mayor queried the reason for the capital expenditure of 20 water troughs. The Chairman noted that as the newly acquired farmland had previously held a smaller herd the troughs were too small and not fit for purpose. Extras had been put in for the short term, but on occasions they had still run out of water. The expenditure is to protect animal welfare for the future. Some of the old troughs will be used in the calf paddocks, however others will not be useable in the future.

Points noted in discussion:

- The Chairman noted the observation that the Farm Insight Report was very impressive and shows the farm is achieving above average efficiency.

12. Quarterly Report – Health and Safety Update

D22/45983 Page 55

Recommendation

THAT the report be received.

VOLZKE/BECK
Carried
F&A/22/35

Questions/Points of Clarification:

- The Chairman noted the recent incident at the aerodrome was only brought to his attention when he read the report in the paper. He questioned going forward, as the land owner, is there a policy in place that the Council should be one of the first stakeholders notified? It was noted the Property Officer had spoken with the aeroclub and told them the lack of notification was not good enough. However the Aeroclub is a user of the aerodrome and has no operational responsibility and is not responsible for responding to incidents. The responsibility sits between the Council and the user who has the incident, as well as potentially the CAA, so the users need to work directly with the Council.
- The Chairman asked if the CAA are notified of an incident which involves an outside person, shouldn't the Council be notified? It was noted that the Council should be notified, and if the CAA had any fault of the Council, they would have involved the Council with the investigation. It is still questionable why the Council was not notified by the CAA.

- The District Mayor asked if a letter had been sent to anyone in regards to the Council being notified in the case of an incident. It was noted the a verbal discussion had taken place. The District Mayor requested a letter be sent to the Aeroclub giving clear instruction that when they become aware of an incident there is a responsibility to inform council.

13. Questions

There were no questions.

14. Closing Karakia

D21/40748 Page 58

The closing karakia was read.

The meeting closed at 12.47

G W Boyde
Chairman

Confirmed this 21st day of March 2023.

N C Volzke
District Mayor

Farm and Aerodrome Committee Matters Outstanding Index

D20/11504

ITEM OF MATTER	MEETING RAISED	RESPONSIBILITY	CURRENT PROGRESS	EXPECTED RESPONSE
Strategic Plan/Development Plan for Aerodrome – add to Annual Plan Process	Farm and Aerodrome – 6 December 2022	Sara Flight		
Risk Review – review wording of risk 8 – Lone Worker	Farm and Aerodrome – 6 December 2022	Sara Flight		
Letter – Aeroclub regarding notification to council of incidents	Farm and Aerodrome – 6 December 2022	Sara Flight		

2023 - Agenda - Farm and Aerodrome - March - Programme of Works

FARM AND AERODROME COMMITTEE - PROGRAMME OF WORKS

Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
		Committee Strategic Review	Review Risk Register		Farm Environmental Report
Draft Budget 2023/24		Farm Business Plan/Report	Final Farm Business Report 2021	Draft Budget 2024/25	
		Draft Results 2021/22	Farm Environmental Report		
Farm Operations - Monthly Report	Farm Operations - Monthly Report	Farm Operations - Monthly Report	Farm Operations - Monthly Report	Farm Operations - Monthly Report	Farm Operations - Monthly Report
Health and Safety Report	Health and Safety Report	Health and Safety Report	Health and Safety Report	Health and Safety Report	Health and Safety Report

DECISION REPORT



F22/55/04 – D23/9371

To: Farm and Aerodrome Committee
 From: Property Officer
 Date: 21 March 2023
 Subject: Revised 2022/2023 Annual Plan Budget for the Farm

Recommendations

1. THAT the report be received.
2. THAT the Committee approves the changes to the 2022/2023 annual plan budget for the farm.
3. THAT the Committee recommends to Council to approve the new revised 2022/2023 annual plan budget for the Farm as per option 1 in this report.

Recommended Reason

The revised budget, being an increase of \$31,345.00, provides extra budget for the purchase of feed, cropping of maize and silage for the winter months and the autumn fertiliser (which has already been reduced). This is required so the condition of the cows stay above 4 during and after calving.

/
Moved/Seconded

1. Purpose of Report

The purpose of this report is to seek the Committee's approval for the proposed revised 2022/2023 farm budget.

2. Executive Summary

- 2.1 The approved 2022/2023 Farm annual plan budget did not factor in the inflation cost which was unforeseen at the time.
- 2.2 To keep the cows' condition at Grade 4 or above, it is required to increase the budget for sustenance and fertiliser.

3. Local Government Act 2002 – Section 10

Under section 10 of the Local Government Act 2002, the Council's purpose is to "enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future"

Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:

Yes

Social	Economic	Environmental	Cultural
	✓		

The farm is expected to provide a financial contribution towards rates, to minimise and smooth (by using the Farm reserve) the impact of rates on the Stratford district ratepayers.

4. Background

- 4.1 In May 2022, a new Federated Farmers *Herd Owning Sharemilking Agreement* was executed with the existing Sharemilkers, Fernharp Trust, for a further five-year term.
- 4.2 The new agreement entitles the Sharemilkers to have full management control over the farm, the operational budget and general farm repairs and maintenance, provided they are meeting the terms of the lease.
- 4.4 A Farm Policy was established to clarify any procedures and expectations around the operation of the farm and stock grazed on land that are not sufficiently covered by the Federated Farmers Herd Owning Sharemilking agreement.
- 4.5 The Sharemilkers have authority to spend against Council budget items within budget; but is to notify Officers if the budget line is expected to be exceeded.
- 4.6 The Sharemilkers have informed Officers that the budget line for both sustenance and fertiliser is expected to be exceeded for 2022/2023 financial year.
- 4.7 Fertiliser prices have risen by nearly 30% since the start of the 2022/2023 season. This is due to fossil fuel prices increasing and export restriction from usual overseas suppliers. This also has an effect on blends of feed purchased for the infeed shed.
- 4.8 Due to inflation, the 2022/2023 Annual Plan budget is not sufficient to cover the costs of farm operations for this financial year. As at February 2023, the budget for sustenance had been totally expended. The fertiliser budget is expected to be fully expended well before June.

5. Consultative Process

- 5.1 **Public Consultation - Section 82**
As this is a commercial matter relative to Council's property, no public consultation is required.
- 5.2 **Māori Consultation - Section 81**
Consultation has not been undertaken with iwi, as it is not required.

6. Risk Analysis

Refer to the Council Risk Register - available on the Council website.

- Does this report cover any issues that relate to any risks on the Council Risk Register, and if so which risks and what are the impacts and likelihood of eventuating?
- Does this report cover any issues that may lead to any new risks that are not on the Council Risk Register, and if so, provide some explanation of any new identified risks.
- Is there a legal opinion needed?

- 6.1 Risk 59 of the risk register discusses the risk of Council Controlled Organisation (CCO) and other out-sourced functions, where they operate in a way that has the potential for non-compliance with the law or potential to suffer financial loss.

The farm is currently outsourced to the sharemilkers for much of the day-to-day operations. The Farm and Aerodrome Committee is responsible for monitoring compliance.

7. Decision Making Process – Section 79

7.1 Direction

	Explain
Is there a strong link to Council's strategic direction, Long Term Plan/District Plan?	Yes
What relationship does it have to the communities current and future needs for infrastructure, regulatory functions, or local public services?	The purpose of the farm is to provide a profitable return to mitigate the impact of rates on the Stratford community. The farm contract should reflect the best financially sustainable option for Council.

7.2 Data

<ul style="list-style-type: none"> Do we have complete data, and relevant statistics, on the proposal(s)? Do we have reasonably reliable data on the proposals? What assumptions have had to be built in?
--

The recommendations of this report are based on a review of previous expenditure and forecasting figures based on inflation, amongst other considerations.

7.3 Significance

	Yes/No	Explain
Is the proposal significant according to the Significance Policy in the Long Term Plan?	No	
Is it: <ul style="list-style-type: none"> considered a strategic asset; or 	No	The farm is an economic investment and not considered a strategic asset in the Significance and Engagement Policy
<ul style="list-style-type: none"> above the financial thresholds in the Significance Policy; or 	No	
<ul style="list-style-type: none"> impacting on a CCO stakeholding; or 	No	
<ul style="list-style-type: none"> a change in level of service; or 	No	
<ul style="list-style-type: none"> creating a high level of controversy; or 	No	
<ul style="list-style-type: none"> possible that it could have a high impact on the community? 	No	

In terms of the Council's Significance Policy, is this proposal of high, medium, or low significance?		
High	Medium	Low
		✓

7.4 Options

<p>An assessment of costs and benefits for each option must be completed. Use the criteria below in your assessment.</p> <ol style="list-style-type: none"> What options are available? For each option: <ul style="list-style-type: none"> explain what the costs and benefits of each option are in terms of the present and future needs of the district; outline if there are any sustainability issues; and
--

- explain if the outcomes meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions?
3. After completing these, consider which option you wish to recommend to Council, and explain:
- how this option is the most cost-effective option for households and businesses;
 - if there are any trade-offs; and
 - what interdependencies exist.

The options available to Council in this instance are as follows:

- Option 1** Approve the revised budget for 2022/2023 annual plan of the Farm.
- The revised budget, being an increase of \$31,345.00, provides extra budget for the purchase of feed, cropping of maize and silage for the winter months and the autumn fertiliser (which has already been reduced). This is required so the condition of the cows stay above 4 during and after calving.
- This is the preferred option.
- Option 2** Decline to approve the revised 2022/2023 annual plan and require the sharemilker to use the feed made and purchase for winter. This will increase cost in the new financial year and would reduce the cows condition immensely and could affect calving.

7.5 Financial

- Is there an impact on funding and debt levels?
- Will work be undertaken within the current budget?
- What budget has expenditure come from?
- How will the proposal be funded? eg. rates, reserves, grants etc.

The proposal will be funded by revenue from the farm.

7.6 Prioritisation & Trade-off

- Have you taken into consideration the:
- Council's capacity to deliver;
 - contractor's capacity to deliver; and
 - consequence of deferral?

There is no value in deferring this request.

7.7 Legal Issues

- Is there a legal opinion needed?
- Are there legal issues?

Not applicable.

7.8 Policy Issues - Section 80

- Are there any policy issues?
- Does your recommendation conflict with Council Policies?

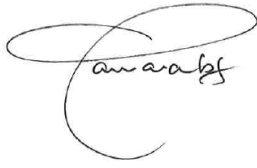
The recommendation does not conflict with any Council Policies.

Attachments:

Appendix 1 Revised Annual Plan



Sara Flight
Property Officer



[Endorsed by]
Victoria Araba
Director - Assets



[Approved by]
Sven Hanne
Chief Executive

Date: 8 March 2023

APPENDIX 1

February YTD Actuals, Budget and Revised Budget 22/23

The budget below is based on the midpoint of February's forecast milk payout of \$8.50

	ACTUAL VS BUDGET			BUDGET		
	YTD ACTUAL	ANNUAL BUDGET		ANNUAL BUDGET	REVISED ANNUAL BUDGET	
	2022/23	2022/23	Variance	2022/23	2022/23	Variance
Milk Production (KgMs)	110,303	155,000	44,697	155,000	150,000	
Forecast Milk Payout	8.50	7.50	-1	7.50	8.50	
Council's Share of Milk Revenue*	468,787	581,250	112,463	581,250	637,500	
Less adjustments / timing	- 124,363	0.00	124,363	0.00	0.00	
	344,423	581,250	236,827	581,250	637,500	56,250
Dividend	12,228	19,840	7,612	19,840	19,840	
Total Income	356,651	601,090	244,439	601,090	657,340	56,250
Operating Costs						
Fencing	1,036	3,075	2,039	3,075	3,075	
R&M Major Works	8,815	11,000	2,185	11,000	11,000	
Repairs & Maintenance	18,276	25,625	7,349	25,625	25,625	
Consultants	617	513	-104	513	513	
Off-Farm Grazing	18,263	48,000	29,737	48,000	48,000	
Pasture Management	11,444	5,342	-6,102	5,342	12,000	6,658
Fertiliser	65,054	71,750	6,696	71,750	75,000	3,250
Insurance	8,719	8,768	49	8,768	8,768	
Lease	4,333	6,500	2,167	6,500	6,500	
Licences & Permits	307	748	441	748	748	
Rates (Services Only)	1,045		-1,045			
Subscriptions & Publications	3,386	2,563	-823	2,563	5,000	2,437
Sustenance Feed	74,334	75,000	666	75,000	91,000	16,000
Weed Control	3,838	4,100	262	4,100	4,100	
Water Consumption	2,798		-2,798		3,000	3,000
Health and Safety Compliance	-	0	0	0	0	
	222,265	262,984	40,719	262,984	294,329	31,345
Indirect Costs						
Interest		46,307	46,307	46,307	46,307	
Depreciation	28,186	43,200	15,015	43,200	43,200	
Corporate Services	15,304	22,308	7,005	22,308	22,308	
Assets Director	3,697	6,003	2,307	6,003	6,003	
Property Asset Manager	25,701	28,935	3,235	28,935	28,935	
	72,886	146,753	73,867	146,753	146,753	
Total Expenditure	295,151	409,737	114,586	409,737	441,082	31,345
						0
Net Profit	61,500	191,353	129,853	191,353	216,258	24,905

DECISION REPORT



F22/55/04 – D23/9428

To: Farm and Aerodrome Committee
From: Director – Corporate Services
Date: 21 March 2023
Subject: Draft Budget for Annual Plan 2023/24

Recommendations

1. THAT the report be received.
2. THAT the draft budget for both the Farm and Aerodrome be approved for inclusion in the Annual Plan 2023/24.
3. THAT the Committee approve the transfer from the Farm reserve balance of \$68,512 to be used for rates mitigation in 2023/24.

Recommended Reason

To get approval of the financial budgets.

/
Moved/Seconded

1. Purpose of Report
 - 1.1 This report gives the Committee members the opportunity to influence the financial budgets for both the Farm and Aerodrome, for the year ended 30 June 2024.
2. Executive Summary
 - 2.1 The Committee is responsible for advising Council on the Farm and Aerodrome activities. All major decisions related to these two activities, including setting the annual budget, should be reviewed and approved by the Committee first.
 - 2.2 The proposed budget for the Farm shows a budgeted net profit of \$198,326, and a rates contribution of \$118,876 (includes using the full farm reserve balance of \$68,512). The budget for the year is business as usual, with a forecast payout of \$8.00 and increased costs relating to major Repairs and Maintenance, and an increase in interest due to the increase in interest rates but the loan balance remaining unchanged from previous years, and a reduction in overheads allocated from Corporate Services and Property Asset Manager.
 - 2.3 The proposed budget for the Aerodrome shows a rates requirement of \$120,954. The budget for the year includes mostly business as usual, plus an additional \$25,000 for Consultants expenditure to undertake the Aerodrome Strategic Review, an addition of \$9,600 in relation to the Aerodrome IT Systems Ltd subscription and additional overheads from the IT department.

3. Local Government Act 2002 – Section 10

Under section 10 of the Local Government Act 2002, the Council's purpose is to "enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future"			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:			Yes
Social	Economic	Environmental	Cultural
	x		

Mostly economic wellbeing for both Farm and Aerodrome.

4. Background

- 4.1 Both the Farm and Aerodrome budgets for the 2023/24 financial year were initially set at the time the Long Term Plan 2021-31 was prepared. Since then, market changes have occurred, particularly higher than expected cost inflation, an increase to the Fonterra milk price, new expenditure, contribution from the farm reserve balance etc and the financial budgets have been updated to reflect this.
- 4.2 In the Long Term Plan 2021-31, for 2023/24, the total operating expenditure for the Farm was budgeted at \$390,000, and operating revenue at \$489,000. Total operating expenditure is now anticipated to be \$441,481, and operating revenue \$639,807. Additionally, the rates contribution originally set at \$50,000, is now expected to be \$118,786, due to the use of the farm reserve balance. The Council Property Officer has requested additional budget for replacing the ensuite bathroom at the farm house of \$25,000, and to paint the exterior of the farm house of \$25,000 – these have not been factored into the draft budget presented to the Committee.
- 4.3 Similarly, total operating expenditure for the Aerodrome was budgeted at \$105,000 and operating revenue at \$27,000 for the Long Term Plan 2021-31, with a rates requirement of \$76,000. Total operating expenditure is now anticipated to be \$148,426, with revenue expected to remain the same, increasing the rates requirement to \$120,954.
- 4.4 Capital expenditure for the Farm is budgeted at \$16,500 (including water lines and trough upgrades and riparian planting). This is what was set in the Long Term Plan.
- 4.5 No capital expenditure is planned for the Aerodrome in 2023/24.

5. Consultative Process

5.1 **Public Consultation - Section 82**

Although changes are proposed, the changes are not significant from what was proposed in the Long Term Plan 2021-31, therefore Council has not consulted with the wider public.

However, discussions have been had with the share-milkers who have requested changes to the proposed draft budget. These changes are presented below:

- 1. Increase operating expenses by \$64,000 (29%) to \$505,481.
 - a. Increase Sustenance costs by \$43,000 to \$118,000 (Council's 50% share)
 - b. Increase Fertiliser costs by \$21,000 to \$96,000

2. The changes noted above bring total expenditure to \$505,481 and net profit for the year down to \$134,326. In addition, further changes have been requested for new additions to the budget – for pest control, and security.

3. The Committee will have the opportunity to consider each request for budget increase, and approve or deny each one separately.

5.2 Māori Consultation - Section 81

Maori have been consulted with as part of the preparation of the Long Term Plan 2021-31. Further consultation with Maori on the specific decisions in this report is not considered appropriate.

6. Risk Analysis

Refer to the Council Risk Register - available on the Council website.
<ul style="list-style-type: none"> Does this report cover any issues that relate to any risks on the Council Risk Register, and if so which risks and what are the impacts and likelihood of eventuating? Does this report cover any issues that may lead to any new risks that are not on the Council Risk Register, and if so, provide some explanation of any new identified risks. Is there a legal opinion needed?

6.1 This report relates to the Risk 9 on Council's Risk Register which relates to adopting Annual Plan by 30 June in order to set rates and deliver services to the community.

7. Decision Making Process – Section 79

7.1 Direction

	Explain
Is there a strong link to Council's strategic direction, Long Term Plan/District Plan?	Yes – the Long Term Plan is a base for initial draft budget for 2023/24.
What relationship does it have to the communities current and future needs for infrastructure, regulatory functions, or local public services?	Provides context for service delivery for 2023/24.

7.2 Data

<ul style="list-style-type: none"> Do we have complete data, and relevant statistics, on the proposal(s)? Do we have reasonably reliable data on the proposals? What assumptions have had to be built in?
--

Refer to proposed draft budgets attached.

7.3 Significance

	Yes/No	Explain
Is the proposal significant according to the Significance Policy in the Long Term Plan?	No	
Is it:		
• considered a strategic asset; or		
• above the financial thresholds in the Significance Policy; or		
• impacting on a CCO stakeholding; or		
• a change in level of service; or		
• creating a high level of controversy; or		
• possible that it could have a high impact on the community?		

In terms of the Council's Significance Policy, is this proposal of high, medium, or low significance?		
High	Medium	Low
		x

7.4 **Options**

<p>An assessment of costs and benefits for each option must be completed. Use the criteria below in your assessment.</p> <ol style="list-style-type: none"> 1. What options are available? 2. For each option: <ul style="list-style-type: none"> • explain what the costs and benefits of each option are in terms of the present and future needs of the district; • outline if there are any sustainability issues; and • explain if the outcomes meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions? 3. After completing these, consider which option you wish to recommend to Council, and explain: <ul style="list-style-type: none"> • how this option is the most cost effective option for households and businesses; • if there are any trade-offs; and • what interdependencies exist.

The following options are to be considered by the Committee:

1. Approve the draft budgets for the financial year 2023/24, as attached, for inclusion to the Annual Plan 2023/24.
2. As above, but for the Farm including any budget increases to direct operating expenses as requested by the share-milkers in 5.1.1 (a to f) of this report, and by the Council Property Officer for replacing the ensuite bathroom at the farm house of \$25,000, and to paint the exterior of the farm house of \$25,000.
3. As above, but for the Farm, removing additions to Repairs and Maintenance for the painting of cowshed of \$20,000 budgeted for.
4. As above, but for the Farm and including any capital expenditure requested by Council's Property Officer in relation to improvements to the farm house as outlined earlier in 4.4 of this report.
5. Use the full Farm reserve balance of \$68,512 as rates mitigation in the 2023/24 year.
6. As above (1), but for the Aerodrome, remove or reduce the additional operating cost of \$25,000 for the Aerodrome Strategic Review.
7. If neither of the above options are approved, the final option is to NOT approve the budgets as currently presented, and NOT amend the budgets either, as further information is required in order for the Committee to make a decision.

7.5 **Financial**

<ul style="list-style-type: none"> • Is there an impact on funding and debt levels? • Will work be undertaken within the current budget? • What budget has expenditure come from? • How will the proposal be funded? eg. rates, reserves, grants etc.

Any increase in budgeted expenditure for the Aerodrome will have a direct impact on the general rate requirement.

For the farm, an increase in operating expenditure will reduce net profit, all other things held equal, and reduce the amount at year end that is available to be allocated to the farm reserve and ultimately used for rates mitigation. The rates contribution of \$118,876 is made up of the \$50,000 rates contribution out of next year's net profit, plus using the full amount in the farm reserve of \$68,512.

The current farm loan balance is \$1,965,100.

7.6 **Prioritisation & Trade-off**

Have you taken into consideration the:

- Council's capacity to deliver;
- contractor's capacity to deliver; and
- consequence of deferral?

N/A

7.7 **Legal Issues**

- Is there a legal opinion needed?
- Are there legal issues?

N/A

7.8 **Policy Issues - Section 80**

- Are there any policy issues?
- Does your recommendation conflict with Council Policies?

N/A

Attachments:

1. Draft Budget for Farm
2. Draft Budget for Aerodrome



Tiffany Radich
Director – Corporate Services

[Approved by]
Sven Hanne
Chief Executive

Date 10 March 2023

Council Farm - Draft Budget 2023/24

	Annual Budgets		
	ANNUAL BUDGET <u>2022/23</u>	ANNUAL BUDGET <u>2023/24</u>	Change
			-
Milk Production (KgMs)	150,000	154,000	4,000
Forecast Milk Payout	6.25	8.00	2
Council's Share of Milk Revenue*	468,750	616,000	147,250
	468,750	616,000	147,250
Dividend	19,840	23,807	3,967
Total Income	488,590	639,807	151,217
Operating Costs			
Fencing	3,075	3,500	-425
R&M Major Works	11,000	35,000	-24,000
Repairs & Maintenance	25,625	25,000	625
Consultants	513	513	0
Off-Farm Grazing	48,000	48,000	0
Pasture Management	5,342	10,000	-4,658
Fertiliser	71,750	75,000	-3,250
Insurance	8,768	10,027	-1,259
Lease	6,500	6,500	0
Licences & Permits	748	765	-17
Rates (Services Only)	960	1,045	-85
Subscriptions & Publications	2,563	3,000	-437
Sustenance	75,000	75,000	0
Weed Control	4,100	5,000	-900
Health and Safety Compliance	0	0	0
	263,944	298,350	-34,406
Indirect Costs			
Interest	46,307	63,643	-17,336
Depreciation	43,200	47,042	-3,842
Corporate Services	22,308	12,227	10,081
Assets Director	6,003	7,772	-1,769
Property Asset Manager	28,935	12,447	16,488
	146,753	143,131	3,622
Total Expenditure	410,697	441,481	(30,784)
Net Profit	77,893	198,326	182,001

Aerodrome - Draft Budget 2023/24

	Annual Budgets		Change
	ANNUAL BUDGET <u>2022/23</u>	ANNUAL BUDGET <u>2023/24</u>	
Farm Lease	6,500	6,500	0
Ground Leases	20,500	20,972	472
Total Income	27,000	27,472	472
Operating Costs			
Insurance	1,368	2,026	-658
Contract Services	2,050	34,600	-32,550
Communications	308	200	108
Maintenance Contract	59,997	63,000	-3,003
R&M Major Works	5,000	5,000	0
	68,723	104,826	-36,103
Indirect Costs			
Depreciation	6,000	6,000	0
IT and Records	0	5,349	-5,349
Corporate Services	10,049	12,227	-2,178
Fixed Assets	7,588	9,652	-2,064
Property / Parks	9,042	10,372	-1,330
	32,679	43,600	(10,921)
Total Expenditure	101,402	148,426	(47,024)
General Rates requirement	-74,402	-120,954	(46,552)

INFORMATION REPORT



F22/55/04-D23/7529

To: Farm and Aerodrome Committee
 From: Property Officer
 Date: 21 March 2023
 Subject: Risk Review

Recommendation

THAT the report be received.

Recommended Reason
 To update the Committee of changes to the Farm and Aerodrome Risk Registers and advise the Committee of any incidents in relation to the identified risks.

 Moved/Seconded

1. Purpose of Report

The purpose of this report is to present any changes made to the Farm and Aerodrome Risk Registers in **Appendices 1 & 2**. It is to inform the Committee of any incidents and/or changes in relation to identified risks, since the last Farm and Aerodrome Committee meeting held in December 2022.

2. Executive Summary

The Senior Leadership Team (SLT) discusses changes to the Corporate Risk Register weekly. This review of the Farm and Aerodrome Risk Registers are undertaken at the Quarterly Sharemilkers and Aerodrome user group meetings to ensure that all risks are being managed appropriately. In the past quarter, one new risk has been added to the Farm risk register and two risk has been changed on both risk registers.

3. Local Government Act 2002

Under section 10 of the Local Government Act 2002, the Council's purpose is to "enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future"			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:			Yes
Social	Economic	Environmental	Cultural
	✓	✓	

Active management and monitoring of farm risks will support the performance of a good quality council owned asset to ensure the health and safety of the sharemilker, contractors, farm workers and visitors to the farm.

4. Background

The Farm and Aerodrome Risk Registers - one for each activity - were adopted by the Committee at the September 2020 meeting.

The two Risk Registers are based on the requirements from:

- The Taranaki Regional Council;
- Fonterra Limited;
- Ministry of Primary Industries; and
- Civil Aviation Authority.

The Risk Registers report on all risks identified to be managed by the Sharemilkers, Aerodrome User Group and Council.

5. Information Summary

5.1 **New Risk identified and added to the Risk Register**

There has been one new risk added to the Farm Risk Register since the last Farm and Aerodrome Committee meeting.

Risk 9 has been added – due to the recent incident

Staff member/Pilot is seriously injured or killed on farm from an aircraft crash.

5.2 **Changes to the Risk Register**

There has been 1x change to the Farm Risk Register since the last Committee meeting.

- **Risk 8 – Lone worker/staff members seriously injured or killed on farm.**
This risk has been amended to reflect both lone worker and all staff working on the farm, please refer to matters outstanding.

There have been 2x changes to the Aerodrome Risk Register since the last Committee meeting.

- **Risk - Commercial operations conducted from the airfield – Aero Works**
Has been amended to reflect all Commercial operations and has Aero Works removed from the title of the source of risk.
- **Risk - Winch launching of Gliders**
Has been removed, as they no longer launch gliders this way.

5.3 **Incidents or Threats in relation to the Risk Register**

There has been one incident in relation to the risk register since the last Farm and Aerodrome Committee meeting.

The Civil Aviation Authority (CAA) is currently investigating a fatality near the Aerodrome. A microlight crashed-landed in the neighbouring paddocks of the Council Farm. Council Officers will inform the Committee of the findings, once the investigation is complete.

5.4 **Matters Outstanding**

It was requested in the previous meeting that Risk number 8 of the Farm Risk Register be amended to reflect both lone workers and all staff as farm accidents are present for any workers regardless. The risk description has been amended as follows;

Lone worker or staff members seriously injured or killed on farm is a serious health and safety breach.

This has been discussed with the sharemilkers who are in agreement that this be included. Therefore, Risk 6 has been updated accordingly (**Appendix 1**).

6. Strategic Alignment

6.1 **Direction**

This report is consistent with the relevant sections of the 2021-2031 Long Term Plan.

6.2 **Annual Plan and Long-Term Plan**

Not Applicable

6.3 **District Plan**

Not Applicable

6.4 **Legal Implications**

Not Applicable

6.5 **Policy Implications**

No policy implications

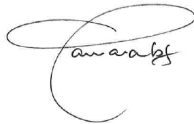
Attachments:

Appendix 1 – Farm Risk Register

Appendix 2 - Stratford Aerodrome Risk Register



Sara Flight
Property Officer



[Approved by]
Victoria Araba
Director - Assets



[Approved by]
Sven Hanne
Chief Executive

Date 10 March 2023

Farm Risk Register

Risk Alert Number	Risk Category	Risk Subject	Risk Description	Risk Score Raw	Control Description	Residual Risk Score
1	Reputational and Conduct	Reputational Damage	<ul style="list-style-type: none"> Reputational damage to Council can occur as a result of: <ul style="list-style-type: none"> Lack of operational transparency; Poor Management; Environmental damage; Non-compliance Reputational damage could lead to hefty fines which may cause ratepayers and the public losing faith in the council-run farm. Change of Government Policy or Legislative change can also have consequences to the reputation of the farm and the council also. 	High	<ul style="list-style-type: none"> Continually working with TRC to ensure that: <ul style="list-style-type: none"> the farm complies with TRC Best On-farm practise; the farm complies with Fonterra requirements in terms of supply; All records are kept up to date on a regular basis. Ensure transparent decisions are made at all times; Consistently keep all involved in the farm up to date and well informed of any changes to rules and regulations. Review contract with Sharemilkers every three years to ensure everyone is on same page 	Medium
2	Operational	COVID- 19	<ul style="list-style-type: none"> If the sharemilker contracts COVID-19 and is unable to work for a few weeks this could affect the operation of the farm. 	Medium to High	<ul style="list-style-type: none"> Prepare and maintain a Business Continuity Plan. Have a Movement Plan between the Sharemilker and other workers to eliminate the transmission of the virus to others. Limit movement of stock, people and machinery on/off farm. Work with Bio-Security NZ, Ministry Primary Industries (MPI), Taranaki Regional Council (TRC), Farm Vets to ensure the threat is identified and work to minimise the threat. Ensure Staff/committee are kept up to date with everyday decisions. Follow MPI Guidelines - https://www.biosecurity.govt.nz/growing-and-harvesting/land-care-and-farm-management/biosecurity-on-your-farm/ 	Medium to Low
3	Operational	Infectious Disease/ Biosecurity Risk and Pandemic	<ul style="list-style-type: none"> If there is a threat to animals on farm through disease, this will affect the wellbeing of all stock on farm. Given the current Sharemilkers have a run-off this will also limit stock from outside the farm coming onto the dairy farm. 	Medium to High	<ul style="list-style-type: none"> Take a proactive approach to any known threats to protect the farm and develop a plan to deal with this threat, in discussion with the Fonterra and the Bank; Prepare and maintain a Business Continuity Plan. Have a Movement Plan between the Sharemilkers runoff farm and the Council's farm to eliminate any infection due to movement between farms. Limit movement of stock, people and machinery on/off farm. Work with Bio-Security NZ, Ministry Primary Industries (MPI), Taranaki Regional Council (TRC), Farm Vets to ensure the threat is identified and work to minimise the threat. Ensure Staff/committee are kept up to date with everyday decisions. Follow MPI Guidelines - https://www.biosecurity.govt.nz/growing-and-harvesting/land-care-and-farm-management/biosecurity-on-your-farm/ 	Medium to Low
4	Operational	Aerodrome	<ul style="list-style-type: none"> Cows on runway 	Medium to High	<ul style="list-style-type: none"> Prepare and maintain a clear set of rules for both the Aerodrome users and the Council farms Sharemilkers and employees 	Low
5	Animal Welfare	Reputational Damage	<ul style="list-style-type: none"> Animal Welfare issues – If an animal welfare issue eventuates on-farm then reputational damage to both Sharemilker and Council could occur. 	Medium	<ul style="list-style-type: none"> To ensure there is good animal welfare practice on farm and as the cows are owned by the Sharemilkers, the following codes must be complied with: <ul style="list-style-type: none"> The Animal Welfare Act 1999; An <i>Animal Health Plan</i> provided through a Veterinary Practice; and The Fonterra Welfare Codes and Regulations 	Low

2023 - Agenda - Farm and Aerodrome - March - Information Report – Risk Review

Risk Alert Number	Risk Category	Risk Subject	Risk Description	Risk Score Raw	Control Description	Residual Risk Score
6	Financial	Low Pay-out and or significant increase in operational costs.	<ul style="list-style-type: none"> Low pay-out can and will cause financial stress on farm if not handled correctly. Significant increases in essential materials such as feed and fertiliser can and will cause financial stress on farm if not handled correctly. 	Low - Medium	<ul style="list-style-type: none"> Work with the farm owner (Council)/bank/accountant to set up a budget. A low pay-out can be addressed by running the farm on minimal operations and very low costs. For example, maintenance fertiliser only. Only things that need to be done to keep the farm running will be done. Select correct options for current financial climate and low pay-out. 	Low
7	Environmental	Natural Disaster	<ul style="list-style-type: none"> Weather, Eruption, Earthquakes any of these can affect the farm. Any of these disasters can cause major damage to farm buildings and infrastructure. Loss of income also will come into effect. 	Low - Medium	<ul style="list-style-type: none"> Prepare and maintain a Natural Disaster Management Plan. Communicate to the regional /district Civil Defence Authority; Prepare and maintain a Business Continuity Plan. Have an up-to-date Business Interruption Insurance. Secure an alternative power source e.g. generator that is available when required. Work with Sharemilkers to ensure that they are aware of their responsibilities. Ensure industry best practice is followed. 	Low
8	Health and Safety and Wellbeing	Health and Safety	<ul style="list-style-type: none"> Lone worker or staff members seriously injured or killed on farm is a serious health and safety breach. 	Low-Medium	<ul style="list-style-type: none"> Work with the Sharemilkers to ensure that they have quality training and are aware of their responsibilities. Ensure contract is updated in accordance with Health and Safety regulation and best on-farm practices; Ensure that there are processes and measure in place to ensure that all staff are safe at all times and can communicate effectively in emergency and be reached promptly. 	Low
9	Health and Safety and Wellbeing	Injury/Fatality	<ul style="list-style-type: none"> Staff member/Pilot is seriously injured or killed on farm from an aircraft crash. 	High	<ul style="list-style-type: none"> Ensure that there are processes and measure in place to ensure that all staff including visitors are safe at all times and can communicate effective in emergency and be reached promptly. 	Medium

Aerodrome Risk Register

Source of Risk		Risk Rating (Uncontrolled risk rating)			Hierarchy of Control	Controls	Residual Risk	Persons responsible	Date to be Completed	Review Date and Initial
Source of Risk	Risk Description	Consequence	Likelihood	Risk Rating						
Contractor vehicles, including moving vehicles crossing the runway and accessing the aircraft manoeuvring area	Service vehicle vs aircraft	Catastrophic	Possible	HIGH	M	Vehicle access to airfield is restricted to ground maintenance vehicles (Downer completes mowing) - these vehicles must have a roof top strobe as per signage at the entrance to the operational area Mowing operations are scheduled on Thursdays (usually) - pilots to check with the radio room prior to landing for update on conditions / NOTAMS Contractor to hold a radio dialled in to airside channel (enter channel [ENTER CHANNEL])	MED	Operations & Members using the Aerodrome Stratford District Council	On-going monitoring	N/A - ongoing management
Stock on the runway and, or airfield	Damage, injury, distraction	Catastrophic	Probable	HIGH	M	The perimeter of the airfield is fenced Stock on the airfield to be reported to the Club House who will facilitate clearing the airfield	MED	Operations & Members using the Aerodrome	As required	N/A - ongoing management
Birds	Bird strike resulting in damage or injury	Catastrophic	Possible	HIGH	M	Monitor bird activity in the area and manage if a problem is identified - Solutions to bird problems should be made in consultation with the farmer and Stratford District Council	MED	Operations & Members using the Aerodrome Stratford District Council	As required	N/A - ongoing management
Debris on Airfield	Damage, injury	Catastrophic	Possible	HIGH	M	Physical check of airfield, including runway and wider manoeuvring area to identify and remove debris, including but not limited to Bale wraps and other wind blow material	LOW	Operations & Members using the Aerodrome	As required	N/A - ongoing management
Aircraft Crash	Mechanical Error	Catastrophic	Possible	High	M	Complete pre-flight inspection to ensure aircraft is fit for flying, keep up to date with preventative maintenance	Low	Operations	On Going	N/A ongoing

2023 - Agenda - Farm and Aerodrome - March - Information Report – Risk Review

Tourists and, or members of the public accessing the airfield	Public vs aircraft, aircraft rotor / propeller or service vehicle	Critical	Possible	MED	M	Parking available near the Club House for visitor parking Signage in place identifying the Airfield as an Operational Area - Unauthorised Access Prohibited Gate in place and able to be used as required	LOW	Operations & Members using the Aerodrome	On-going monitoring	N/A - ongoing management
Model Aircraft crashing outside the aerodrome in the farmers fields	Distress the farmers stock / cattle Animal vs Member Member injury	Major	Probable	MED	M	Access to farmers paddocks must be recorded in the appropriate log book held at the Club house Model Aircraft flying is restricted and only permitted by members of the Egmont Modellers Club (reducing other recreational users)	LOW	Operations & Members using the Aerodrome	On-going monitoring	N/A - ongoing management
Fuel Bowser	Vehicle vs fuel bowser / pump Vehicle fire near bowser/pump	Major	Unlikely	MED	M	Bollards have been installed around the fuel bowser Clear line if sight to minimise accidental collision Fire extinguisher located at the Browser for use as requires Fuel Safety Data Sheet (SDS) located in the Notice Board (Marked in Box labelled MSDS)	LOW	Operations & Members using the Aerodrome	As required	N/A - ongoing management
Commercial operations conducted from the airfield	Traffic including trucks	Major	Unlikely	MED	M	All activities are carried out in the Operational Area and in line with CAA Guidelines and requirements Vehicles / traffic must use roadways provided, be mindful of speed and pedestrians	LOW	Operations & Members using the Aerodrome	As required	N/A - ongoing management
Runway markings and general conditions	Markings become faded / damaged / or otherwise unclear over time Damage to runway and wider airfield	Catastrophic	Rare	MED	M	Guide line to be maintained as required to ensure the runway remains clearly visible All damage to runway and surrounding airfield to be reported immediately to the Radio Room so it can be used to update incoming aircraft, NOTAMS and Stratford District Council can be notified as required	LOW	Operations & Members using the Aerodrome Stratford District Council	As required	N/A - ongoing management
Aircraft fuel and oil spills are likely whilst aircraft are parked and refuelled during refuelling operations	Aviation fuel spills	Moderate	Rare	LOW	M	Follow fuelling procedures Drains and interceptors in place in compliance with Ministry for the Environment	LOW	Operations & Members using the Aerodrome Stratford District Council	On-going monitoring	N/A - ongoing management
It is of critical importance that the fuel taken on-board at uplift is not contaminated since the effects of any such contamination are likely to affect the engines and this may not be evident until after an aircraft has become airborne.	Fuel Contamination	Moderate	Unlikely	LOW	M	Fuel filtration procedures Fuel Testing Fuel Storage Pre-flight checks	LOW	Operations & Members using the Aerodrome	On-going monitoring	N/A - ongoing management

2023 - Agenda - Farm and Aerodrome - March - Information Report – Risk Review

Access into and out of the aerodrome via the driveway	Vehicle collision or vehicle vs stock	Minor	Rare	LOW	M	Traffic is restricted to 30km per hour with signage clearly in place , to this effect	LOW	Operations & Members using the Aerodrome	As required	N/A - ongoing management
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QUARTERLY REPORT



F22/55/04 – D23/8523

To: Farm and Aerodrome Committee
 From: Property Officer
 Date: 21 March 2023
 Subject: Farm and Aerodrome Business and Financial Report

Recommendation

THAT the report be received.

Recommended Reason

This report provides a quarterly business and financial update of the Farm and Aerodrome activities. It highlights the milk production from the current season at the farm and reports on the key activities at the Aerodrome.

/
 Moved/Seconded

1. Purpose of Report

The purpose of this report is to provide an update of the Farm and Aerodrome business activities to the Committee.

2. Executive Summary

2.1 The key highlights of this report are:

- Farm is on track to achieve its milk targets at the end of the season.
- Kerbing repair work is programmed in for May 2023.
- The Tiaki Farm Environment Plan has been reviewed and all actions have been completed.
- Aerodrome Annual open day was held on the 4th February.
- Successful operation of the new Jet A1 fuel station - a worthy and timely investment.
- Building consent lodged for the construction of a new hangar.

3. Local Government Act 2002

Under section 10 of the Local Government Act 2002, the Council's purpose is to "enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future"			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:			Yes
Social	Economic	Environmental	Cultural
	✓	✓	

This report supports the provision of a good quality council owned asset as well as the performance of the council owned farm.

4. Information Summary

4.1 **Farm Information**

4.1.1 The farm production from August to February, is shown in the Monthly Production graph below (**Figure 1**) with an 4.6% variance (decrease) when compared to the same period last year.

4.1.2 As of February a total of 110,302.8 kgMS has been produced for this season. The farm is still on track to meet its annual milk solids production of 150,000kgm target by the end of the season.



Figure 1: Total Kg Milk Solids Production from August to February.

4.1.3 Due to increased cost to grazing off site, the sharemilkers are currently grazing their calves, 3 to 1 paddock. Although it has reduced cost from grazing off site, it has increase cost to purchasing feed for the farm.

4.1.4 This season Riparian plants will be available at the Stratford Depot in May. TRC will be provide a planting plan which identifies the gaps and fencing amendments.

4.1.4 The Sharemilkers quarterly meeting was held on Thursday 23 February 2023.

4.1.5 In the 2022/2023 season Council has three fixed milk price contracts. (See **Table 1**).

FMP AGREEMENTS	EST.SEASONAL PRODUCTION (KGMS)	FIXED QUANTITY (KGMS)	FIXED MILK PRICE	FIXED % OF EST SEASONAL
Season 2022/2023				
October	149391	50000	9.77	33.47%
June	149391	6986	10.24	4.68%
May	149391	11618	9.38	7.78%

Table 1: Fixed Milk Prices

4.1.10 Repair Work on the Farm

Since the last quarterly meeting the following repair works have been completed;

- The culvert at the back of the farm was repaired in February

In May the following repair works have been programmed in;

- kerbing along the race beside the yard will be installed
- painting of the milking parlour will be completed

4.1.11 The Tiaki Farm Environment Plan was reviewed in February. Fonterra was impressed with the work which had been undertaken and the focus from the sharemilker on ensuring good environmental outcomes on the farm. Fonterra also confirmed that all actions have been completed, most specifically the decommission of the silage pit and effluent ponds as these are common high-risk areas on the farms.

Due to Fonterra's new tool update the environment plan cannot be updated without completely rewriting the plan with the new Good Farming Practices. The new plan will be submitted in the new FY. The LTP performance measures for Council meeting environmental standards is having the plan reviewed annually, which we have completed in 2022/2023 FY, but the plan will be submitted in 2023/2024 FY and with the potential of implementing more improvements if necessary.

4.2 Aerodrome Information

4.2.1 At the last quarterly meeting it was recommended that funding for the review of the Aerodrome Strategic Plan would be referred to the Annual Plan process which is soon to be underway.

4.2.1 The Aerodrome held its annual opening day on Saturday 4 February. Despite the recent bad weather, the day was a big success with a significant number of people visiting. The Aerodrome users partook in flying displays, and static displays thorough out the day.

4.2.3 The Aerodrome User group is due to meet on the 9th March, where they will discuss the Terms of Reference of the user group.

The group will identify potential future upgrades or capital improvements for the aerodrome. The associated cost for these capital works will be developed in conjunction with the user group and will potentially form part of the 2024/27 Long Term Plan.

Council officer provided a letter to the Aerodrome Users informing them of their responsibilities and that if an incident occurs on the Aerodrome or involves a Stratford Aerodrome User that they shall notify Council immediately.

4.2.4 Civil Aviation Authority are currently investigating a fatality in February involving an Aero Club Member, when his microlight crashed in the neighbouring paddocks of the Council Farm and Aerodrome. Once the investigation has concluded, Council officers will provide the findings to the relevant meeting.

In honour of the Aero Club member, the Aero Club will be planting a memorial tree and installing a plaque at the Club House.

4.2.5 The installation of the new jet A1 fuel dispenser and holding tank, has proven to be successful. RD Petroleum are extremely happy with already over half the tank of jet A1 fuel being used in the last month. Completion photo is shown below (Figure 3)



Figure 2: Photos of the Aerodrome opening Day – 4 February



Figure 3: Completion Photo of RD Petroleum Jet A1 Fuel Tank and Dispenser

4.2.5 Council Officers will be reviewing the Aerodrome Management Plan as part of the Annual Plan process.

An Airport and Aerodrome Specialist will be meeting Elected Member and Council staff in March to discuss the new rules and regulation of an uncertified Aerodrome.

4.2.6 The building consent of the new Aero Club hangar has been lodged and currently being processed.

4.2.7 The aircraft movements by month and type are shown Figures 4 and 5 below.

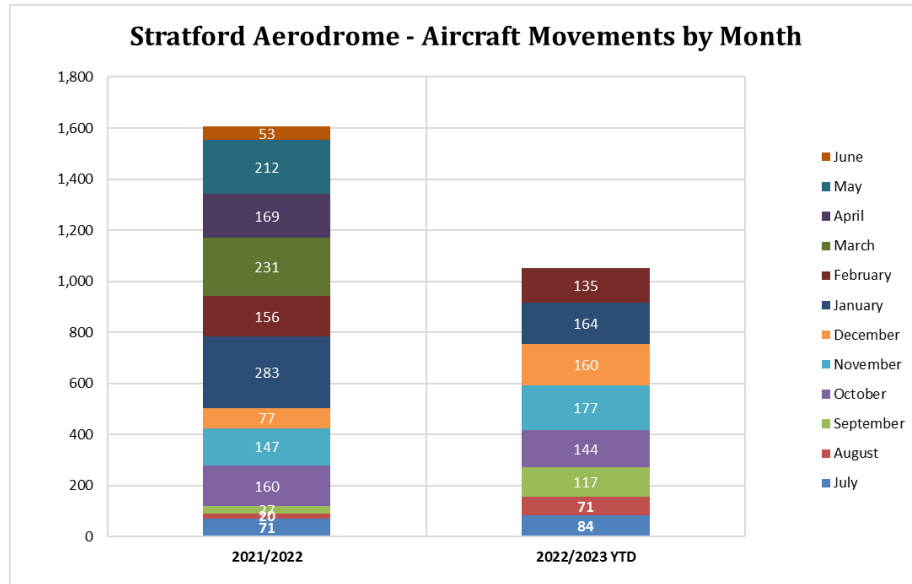


Figure 4: Aircraft Movements by Month

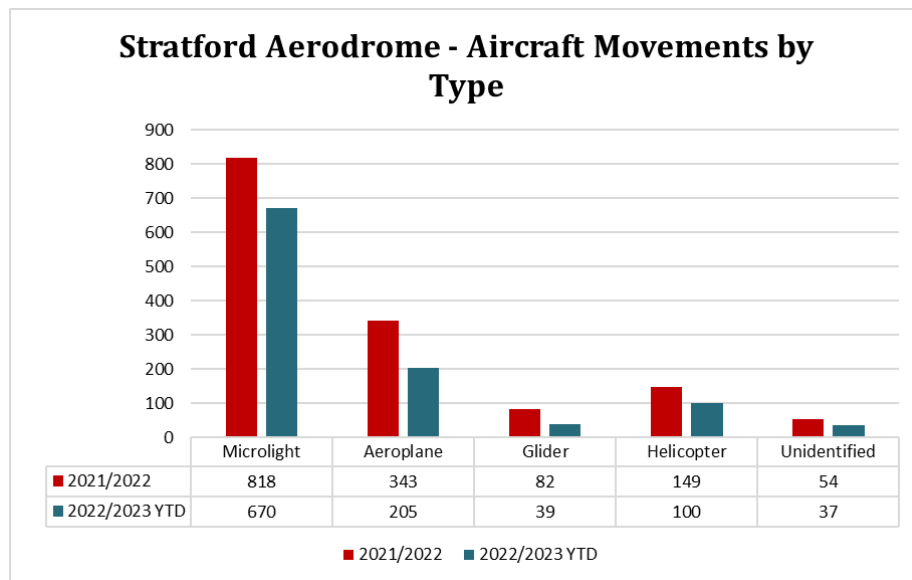


Figure 5: Aircraft Movements by Type

5. Financial Report

5.1 An overview of the expenditure to date including the works undertaken has been outlined in **Table 2** below.

	Activity	Works completed	Budget	Expenditure to date	Balance Remaining
1	Maintenance – Major Works	Race maintenance	\$11,000.00	\$8,815	\$2,185
2	Repair and Maintenance	General maintenance on the farm, milking plant repairs and services, farm house repairs and installation, and so forth.	\$25,625.00	\$18,275.51	\$7,349.49
3	Capital Works	To date 20 troughs have been purchased with only three yet to be installed.	\$12,300	\$10,040.54	\$2,259.46

The figures shown in Table 2 above provide an overall indication of progress mid-way through the financial year on planned works around the farm.

6. Strategic Alignment

6.1 **Direction**

This report is consistent with the 2021-2031 Long Term Plan

6.2 **Annual Plan and Long-Term Plan**

This report supports the Farm and Aerodrome activities as indicated in the Annual Plan and Long-Term Plan.

6.3 **District Plan**

There are no implications on the District Plan.

6.4 **Legal Implications**

There are no legal implications.

6.5 **Policy Implications**

There are no policy implications.

Attachments:

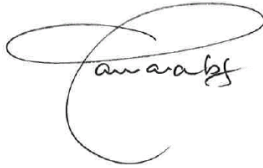
Appendix 1 – YTD Financial Report – February 2023

Appendix 2 – Work Programme for the Farm and Farm Buildings

Appendix 3 – Capital expenditure report



Sara Flight
Property Officer



[Endorsed by]
Victoria Araba
Acting Director - Assets



[Approved by]
Sven Hanne
Chief Executive

Date: 10 March 2023

APPENDIX 1

YTD Financial Report – February 2023

	YTD PREVIOUS 2021/22	YTD ACTUAL 2022/23	YTD BUDGET 2022/23	Variance	BUDGET 2022/23 Reforecast	BUDGET 2022/23
3800 - Farm Investment						
1700 - Income						
Milk Production (KgMs)	115,654	110,303	50,000	60,303	155,000	150,000
Forecast Milk Payout	9.60	8.50	6.25	2.25	7.50	6.25
Council's Share of Milk Revenue*	555,137	468,786.90	156,250	312,537	581,250	
Less adjustments / timing	- 120,098.12	- 124,363.43		- 124,363.43		
	435,039	344,423	156,250	188,173		468,750
Dividend	12,489	12,228	13,227	-999	19,840	19,840
Total Income	447,528	356,651	169,477	311,538	601,090	488,590
1701 - Operating Costs						
Fencing	2,490	1,036	2,050	2,039	3,075	3,075
R&M Major Works	12,129	8,815	7,333	-1,482	11,000	11,000
Repairs & Maintenance	11,345	18,276	17,083	-1,192	25,625	25,625
Consultants	-	617	342	-275	513	513
Off-Farm Grazing	18,838	18,263	32,000	13,737	48,000	41,000
Pasture Management	5,035	11,444	3,561	-7,883	5,342	5,342
Fertiliser	39,636	65,054	47,833	-17,221	71,750	71,750
Urea		-	0	0	0	0
Insurance	8,349	8,719	5,845	-2,874	8,768	8,768
Lease	4,333	4,333	4,333	-0	6,500	6,500
Licences & Permits	2,635	307	249	-58	748	748
Rates (Services Only)	480	1,045	0	-1,045		
Subscriptions & Publications	1,237	3,386	1,709	-1,677	2,563	2,563
Sustenance	64,813	74,334	50,000	-24,334	75,000	56,375
Weed Control	2,056	3,838	2,733	-1,105	4,100	4,100
Water Consumption		2,798	0			
Health and Safety Compliance		-	0	0	0	0
	173,375	222,265	175,073	-43,369	262,984	237,359
1703 - Indirect Costs						
Interest	-	-	30,871		46,307	46,307
Depreciation	23,579	28,186	28,800	614	43,200	43,200
Corporate Services	14,394	15,304	14,872	-432	22,308	22,869
Assets Director	3,702	3,697	4,002	305	6,003	6,223
Property Asset Manager	18,376	25,701	19,290	-6,411	28,935	30,161
	60,051	72,886	66,964	-5,922	146,753	148,760
Total Expenditure	233,427	295,151	242,037	-49,292	409,737	386,119
Net Profit	214,101	61,500	-72,560	262,247	191,353	102,471

APPENDIX 2

2022/2023 Work Programmes

Farm and Aerodrome Work Programme

Farm	January	February	March	April	May	June	July	August	September	October	November	December
Quarterly Meetings												
Fertiliser Application												
Riparian Planting												
Calving												
Drying off												
Sowing crops												
Mating												
Aerodrome												
Aerodrome	January	February	March	April	May	June	July	August	September	October	November	December
Mowing – SDC Contractors												
Drain Clearing under runway												
Club Day												

Farm and Farm Buildings Repair/Maintenance Programme

Repairs/Maintenance	January	February	March	April	May	June	July	August	September	October	November	December
Farm House Ensuite floor and shower renewal												
Workers House												
Milking Shed Painting of the milking shed - Internal												
Kerb Installation												

APPENDIX 3

Capital Expenditure

Capital Expenditure for 2022/2023

Capital Expenditure Actual Vs Budget 2022/2023			
	YTD ACTUAL	Full Year BUDGET	Variance
<i>Increase in Service Level</i>			
Riparian Planting		3,600.00	3,600.00
Water Lines and Trough Upgrades	10,040.54	12,300.00	2,259.46
Total Service Level Increase	\$ 10,040.54	\$ 15,900.00	\$ 5,859.46
Additional Capital			
Hotwater Cylinder/3 Phase Air Compressor	11,148.00	0	- 11,148.00
Total	11,148.00	0	(11,148.00)

QUARTERLY REPORT



D23/8499

To: Farm and Aerodrome Committee
 From: Property Officer
 Date: 21 March 2023
 Subject: Health and Safety Update

<p>Recommendation</p> <p><u>THAT</u> the report be received.</p> <div style="text-align: right; margin-top: 20px;"> <p>_____/_____ Moved/Seconded</p> </div>
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1. Purpose of Report

The purpose of this report is to provide to this committee the Health and Safety update for the period between September and March 2023.

2. Executive Summary

2.1 There was one recorded incident at the Council Farm and Stratford Aerodrome involving a microlight aircraft.

3. Local Government Act 2002

Under section 10 of the Local Government Act 2002, the Council's purpose is to “enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future”			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:			Yes
Social	Economic	Environmental	Cultural
✓	✓	✓	

It supports the provision of a good quality council owned asset for the economic benefit to the community through ground leases of the land occupied by the various hangers on the aerodrome.



4. Information Summary

- 4.1 This report provides a summary of the Farm and Aerodrome's Health and Safety performance in the last quarter.
- 4.2 The Council has recorded one health and safety incident at the Farm and Aerodrome in the last quarter.

5. Sharemilker and Aerodrome Health and Safety Report

The operational summary of the Farm's and Aerodrome Health and Safety performance is provided below:

5.1 **Incidents/Near-Misses**

Incident: 1 incident to report – The Civil Aviation Authority (CAA) is currently investigating a fatality involving an Aero Club member, where a microlight crashed into neighbouring paddocks of the Council Farm.

Near-Misses: 0 Near-Misses to report.

Action:

Users reported incident immediately with CAA and followed CAA procedures.

A worker who is a volunteer fire fighter, helped the fire brigade.

After the incident, the Sharemilkers opened their home to the Aerodrome users ensuring the users had a private place away from the Aerodrome club rooms.

Police contacted the Sharemilker who then informed staff to keep all information confidential during the investigation process.

6. Strategic Alignment

7.1 **Direction**

This report is consistent with the 2021-2031 Long Term Plan.

Failure to notify Council in a timely manner of this event have been formally addressed with the relevant parties concerned.

7.2 **Annual Plan and Long-Term Plan**

This report supports the Farm and Aerodrome activities as indicated in the Annual Plan and Long-Term Plan.

7.3 **District Plan**

There are no implications on the District Plan.

7.4 **Legal Implications**

The investigation is still underway, there are currently no known legal implications.

7.5 **Policy Implications**

There are no policy implications.



A handwritten signature in black ink, appearing to read "Sara Flight".

Sara Flight
Property Officer

A handwritten signature in black ink, appearing to read "Victoria Araba".

[Approved by]
Victoria Araba
Director - Assets

A handwritten signature in blue ink, appearing to read "Sven Hanne".

[Approved by]
Sven Hanne
Chief Executive

Date 10 March 2023



TE KAUNIHERA Ā ROHE O
WHAKAAHURANGI
STRATFORD
DISTRICT COUNCIL

Our reference
F19/13/03-D21/40748

Karakia

Kia uruuru mai
Ā hauora
Ā haukaha
Ā haumāia
Ki runga, Ki raro
Ki roto, Ki waho
Rire rire hau Paimārire

I draw in (to my being)
The reviving essence
The strengthening essence
The essence of courage
Above, Below
Within, Around
Let there be peace.