



10 December 2019

FARM AND AERODROME COMMITTEE MEETING

Notice is hereby given that the meeting of the **Farm and Aerodrome Committee** will be held in the **Council Chambers, Stratford District Council, Miranda Street, Stratford** on **Tuesday 15 December 2020** at **11.00am**.

Timetable for 15 December 2020 as follows:

11.00am	Farm & Aerodrome Committee Meeting
12noon	Centennial Rest Room tour for Councillors
12.30pm	Lunch for Councillors
1.00pm	Workshop For Councillors <ul style="list-style-type: none">- Financial Strategy- Budgets- Revenue and Financing Policy<ul style="list-style-type: none">• Economic Development• Financial Contributions
3.00pm	Afternoon Tea for Councillors
3.15pm	Workshop continues

Yours faithfully



Sven Hanne
CHIEF EXECUTIVE

2020- - Agenda - Farm & Aerodrome - December (15/12/2020)

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FARM & AERODROME COMMITTEE
TUESDAY 15 DECEMBER 2020 AT 11:00AM

A G E N D A

1. **WELCOME**

– Health & Safety Message

2. **APOLOGIES**

3. **ANNOUNCEMENTS**

4. **DECLARATIONS OF MEMBERS 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 – 15 September 2020](#)
D20/25069 (Pages 7-13)

RECOMMENDATION

THAT the minutes of the Farm and Aerodrome Committee Meeting, held on Tuesday 15 September 2020, be confirmed as a true and accurate record.

/_____
Moved/Seconded

7. **MATTERS OUTSTANDING**

D20/11504 (Page 14)

RECOMMENDATION

THAT the matters outstanding be received.

/_____
Moved/Seconded

8. **PROGRAMME OF WORKS**
D20/28552 (Page 15)

RECOMMENDATION

THAT the programme of works be received.

_____/_____
Moved/Seconded

9. **DECISION REPORT – CONCRETE PAD INSTALLATION**
D20/35464 (Pages 16-21)

RECOMMENDATIONS

1. THAT the report be received
2. THAT Council agrees to: *Option 1, 2 or 3 of this report.*

Recommended Reason

A Council decision is required to address the silage issues on the farm.

_____/_____
Moved/Seconded

10. **DECISION REPORT – COUNCIL FARM – COST-BENEFIT ANALYSIS OF IN-SHED FEEDING SYSTEM**
D20/35849 (Pages 22-31)

RECOMMENDATIONS

1. THAT the report be received.
2. THAT the Council approves that the estimated cost of \$53,000 for an in-shed feeding system to be added to Year 1 of the Long Term Plan 2021-31 budget.

Recommended Reason

The proposed feeding system will provide many benefits, financial and non-financial, to be detailed within this report.

_____/_____
Moved/Seconded

11. **INFORMATION – RISK REVIEW**
D20/34923 (Pages 32-40)

RECOMMENDATION

THAT this report be received.

Recommended Reason

To provide an update to the Farm and Aerodrome Committee of any changes to the Farm Risk Register and advice the Committee of any incidents in relation to the Top Seven Risk on the Risk Register from the previous quarter.

_____/_____
Moved/Seconded

12. **QUARTERLY REPORT – FARM AND AERODROME BUSINESS AND FINANCIAL REPORT**
D20/35247 (Pages 41-55)

RECOMMENDATION

THAT the report be received.

Recommended Reason

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

_____/_____
Moved/Seconded

13. **QUARTERLY REPORT – HEALTH AND SAFETY**
D20/35253 (Pages 56-58)

RECOMMENDATION

THAT the report be received.

_____/_____
Moved/Seconded

14. **QUESTIONS**



Health and Safety Message

In the event of an emergency, please follow the instructions of Council Staff.

Please exit through main entrance.

Once you reach the footpath outside please turn left and walk towards the Bell tower congregating on lawn outside the Council Building.

Staff will guide you to an alternative route if necessary.

If there is an earthquake – drop, cover and hold where possible. Stay indoors till 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 2019 – 2020 Farm & Aerodrome Committee meetings

<u>Date</u>	16/06/20	15/09/20	15/12/20
Meeting	FA	FA	FA
Neil Volzke	✓	✓	
Grant Boyde	✓	✓	
Rick Coplestone			
Peter Dalziel	✓	AV	
Jono Erwood			
Amanda Harris			
Alan Jamieson	✓	✓	
Vaughan Jones	✓	✓	
Min McKay			
John Sandford	✓	✓	
Gloria Webby			

<u>Key</u>	
FA	Farm & 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 OF THE FARM & AERODROME COMMITTEE MEETING
OF THE STRATFORD DISTRICT COUNCIL HELD IN THE COUNCIL
CHAMBERS, STRATFORD DISTRICT COUNCIL ON TUESDAY 15
SEPTEMBER 2020 AT 11:00AM**

6.1

PRESENT

Councillors G W Boyde (the Chairman), P S Dalziel (via audio visual link), V Jones and Committee Members the Director Corporate Services – Mrs T Radich and the Property Officer – Mrs T Hinton.

IN ATTENDANCE

The District Mayor, N C Volzke, the Deputy Mayor A L Jamieson, Councillor W J Sandford, the Chief Executive – S Hanne, the Director Assets – Mrs V Araba, the Director Environmental Services – Mr B Sutherland, the Executive Administration Officer – Mrs E Bishop, the Communications Manager – Ms G Gibson, the Finance Officer – Mrs S Flight, two members of the media (Stratford Press and Taranaki Daily News) and one member of the public.

1. WELCOME

The Chairman welcomed the Chief Executive, the District Mayor, Councillors, staff, and the media to the meeting of the Farm and Aerodrome Committee.

He reminded those present to ensure they were familiar with the health and safety notice at the start of the agenda.

2. APOLOGIES

An apology was received from the Director Community Services – Ms K Whareaitu.

RECOMMENDATION

THAT the apology be noted.

BOYDE/JONES
Carried
F&A/20/10

3. ANNOUNCEMENTS

The Chief Executive noted the due to the Finance Officer being on parental leave the Director – Corporate Services, Mrs T Radich, would replace that position on the committee which is in accordance with the Delegations Policy that allows the responsibility to move up to the Directors position.

The acting Finance Officer, Mrs Sara Flight, was introduced to the meeting.

4. DECLARATION OF MEMBERS INTEREST

There were no declarations of interest relating to the agenda items.

5. ATTENDANCE SCHEDULE

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

6. CONFIRMATION OF MINUTES

6.1 Farm and Aerodrome Committee Meeting – 16 June 2020
D20/11519 (Pages 7-14)

RECOMMENDATION

THAT the minutes of the Farm and Aerodrome Committee Meeting, held on Tuesday 16 June 2020, be confirmed as a true and accurate record.

DALZIEL/JONES
Carried
F&A/20/11

Points noted in discussion:

- It was clarified that the \$50,000 of rate mitigation was applicable to the previous financial year. The mitigation for the 2020/21 year was set via the 2020/21 Annual Plan and would be \$50,000. This can be revisited when setting the budgets during the Long Term Plan process.

7. MATTERS OUTSTANDING

D20/11504 (Page 15)

RECOMMENDATION

THAT the matters outstanding be received.

BOYDE/JONES
Carried
F&A/20/12

6.1

8. PROGRAMME OF WORKS

D20/10858 (Page 16)

RECOMMENDATION

THAT the programme of works be received.

DALZIEL/JONES
Carried
F&A/20/13

The Director – Corporate Services noted the Aerodrome business report and risk register were both included in this agenda as per the September timeframe of the programme of works.

It was noted that a strategic planning workshop was scheduled for Councillors in October.

9. INFORMATION REPORT – AERODROME ACTIVITY REPORT

2020

D20/22925 (Pages 17-28)

RECOMMENDATION

THAT the Aerodrome Activity Report 2020 be received.

BOYDE/DALZIEL
Carried
F&A/20/14

Recommended Reason

This is the first Aerodrome Activity Report to be presented to the Farm and Aerodrome Committee and will be an annual report going forward.

The Director – Corporate Services noted the following points:

- This is an annual report that gives the committee an update on the activity in the past year as well as recommendations for the future.
- In preparation for the 2021 Long Term Plan, Officers have been looking at the way each activity is funded. Currently the aerodrome is a 80/20 split for general rates/user fees and ways are being explored to amend this to a 70/30 split. The workshop in October will look at ways of implementing the transition to being less reliant on the general rates.

Questions/Points of Clarification:

- It was noted that the two current fertiliser companies that used the aerodrome were not paying per tonne as they owned their hangar and therefore paid the ground lease. This would be amended in the fees and charges to clarify that a ground lease replaces the fee per tonnage. It was noted that most fertiliser was housed at air strips or on farm, therefore the ‘per tonne’ mechanism for charging other commercial users should be looked into further.
- It was noted that landing charges were hard to collect. Investigations into other aerodromes operating procedures showed a donation box was the most common process but general feedback had been more damage was made to those collection

facilities than collected revenue. The current air traffic monitoring does not allow Officers to identify who is coming in and therefore cannot be linked to invoicing.

- It was clarified that the ground lease was based on the size of the hangar and not the usage. It was felt that a differential pricing proposal would be beneficial to investigate a fairer way to charge those using the aerodrome for commercial purposes and those using it for recreational activity. Add to matters outstanding.
- It was requested that a detailed breakdown of operational expenditure be presented at the next committee meeting to identify the stable increase of expenditure over the past few years. Add to matters outstanding.
- It was requested that Officers contact the aerodrag organisers to clarify if this was still being pursued for Stratford. Add to matters outstanding.

10. DECISION REPORT – AERODROME HAZARD RISK REGISTER

D20/23709 (Pages 29-38)

RECOMMENDATIONS

1. THAT the report be received.

BOYDE/DALZIEL
Carried
F&A/20/15

2. THAT the Aerodrome Hazard Risk Register be approved and adopted.

JONES/DALZIEL
Carried
F&A/20/16

Recommended Reason

Identification of the risks in the Hazard Risk Register is necessary to monitor and manage the aerodrome overall risks for continued and safe service delivery at these facilities.

The Property Officer noted the following points:

- The risk register attached identifies the key risks that must be managed and minimised while ensuring minimal disruption to the Aerodrome.
- The Aeroclub safety team put the risk register together for Council and will update Council if any amendments or additions to the register are required and changes will be made to Council's register as well.

11. QUARTERLY REPORT – FARM RISK REGISTER

D20/23850 (Pages 39-45)

RECOMMENDATION

THAT this report be received.

BOYDE/JONES
Carried
F&A/20/17

RECOMMENDED REASON

To provide an update to the Farm and Aerodrome Committee of any changes to the Farm Risk Register and advise the Committee of any incidents in relation to the Top Six Risk on the Risk Register from the previous quarter.

6.1

The Property Officer noted the following points:

- The aerodrome register will be added to this quarterly update now it has been adopted.
- Any changes will be reviewed and the committee will be informed of any incidents relating to the Top 6 risks.
- No new risks were added to the register during the last quarter.
- A new risk to cover pandemic will be added to the register. There is currently a pandemic risk solely centred on cows and bio diversity aspects, the new pandemic will cover the human elements and cover roles of the Ministry of Health, Council and Civil Defence.

Questions/Points of Clarification:

- It was clarified that any significant event (outside of the top 6 risks) will be reported back to the Committee.
- It was requested that a risk be added to cover government regulations – such as the fresh water regulations that are now coming into force.

12. QUARTERLY REPORT – FARM AND AERODROME BUSINESS REPORT

D20/23716 (Pages 46-52)

RECOMMENDATION

THAT the report be received.

DALZIEL/JONES
Carried
F&A/20/18

Recommended Reason

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

The Property Officer noted the following points:

- This financial report covers from June to August.
- It was noted the financial year for the farm does not align with Council's financial year but it was more appropriate that the Committee be presented with a full milking season.
- Quotes for fertiliser have been obtained in accordance with Council's procurement policy. This will be spread at the required times of the season.
- COVID-19 has had an impact on the aerodrome usage with numbers dropping from 4,660 (previous year) to 3,958 this year. The Aeroclub is looking to run several events including flight training and an open day.
- There were only three of 35 aerodrome customer satisfaction surveys returned. Comments included the uneven ground, surface of runway, an extension of runway for gliders and to fill in a drain to allow for another hangar to be constructed.
- The forecast for milk solids has been updated in Council's budget to \$6.40.

Questions/Points of Clarification:

- The Chairman noted that the Fonterra announcement for the 2019/20 season and the upcoming dividend were to be announced this Friday.
- It was requested that an aerodrome programme of works be included in this report.
- It was noted that the milk solids were up 3% to 14,000 year to date, compared to this time last year and there were currently 47 cows left to calve.
- It was clarified that the forecasted amount was \$6.50 and was the full year budget from the annual plan. The amended \$6.40 was the current budget.
- The requests from those completing the survey would be discussed as part of the Long Term Plan project discussions. By including discussion on alternative sources of revenue it is possible these could be funded through increased revenue.
- The District Mayor requested that the other users be contacted and asked to complete the survey as he did not feel three returned surveys adequately reflected the satisfaction of the user groups.
- It was requested that the figures for aircraft landing on page 49 be confirmed, specifically July 2019 with 459 landings compared to 13 this year.
- It was noted that overheads were set across all activities for the organisation although actual spends may differ to what is budgeted. This is set once a year.
- It was noted that any profit over and above the \$50,000 for rate mitigation and less capital expenditure, would be used to amortisation of debt. There is not a fixed amount that is used for repayments.
- It was requested that a section be added to the KPIs to cover animal health. The Property Officer noted she would add a section but this would be limited as the stock were not owned by Council. She noted the sharemilkers do have their own animal health register and make a plan annually with their vets.

13. QUARTERLY REPORT – HEALTH AND SAFETY

D20/23711

(Pages 53-55)

RECOMMENDATION

THAT the report be received.

BOYDE/DALZIEL
Carried
F&A/20/18

The Property Officer noted the following points:

- This report covers the June to August period and provides a summary of the health and safety performance for the farm and aerodrome.
- There were no recorded incidents on the farm or aerodrome.
- The health and safety performance of the farm is prepared by the sharemilkers who have regular health and safety meetings with their staff. COVID-19 restrictions were put in place and staff stayed home if unwell and wiped down surfaces when using equipment and the sign in book is operational. Social distancing has been deemed unnecessary due to staff being included in one 'bubble', however social distancing is observed when offsite. Encouragement has been given to staff regarding working alone and they have been instructed to ask for assistance if feeling uneasy completing a task on their own.
- Staff on the farm have completed a calving course and an ATV course. PPE gear is being provided to staff and they have been instructed that helmets are required on the motorbikes even when wearing full wet weather gear.

Questions/Points of Clarification:

- It was confirmed there is a QR code for COVID-19 tracing at the aerodrome.
- It was noted the sharemilkers do take health and safety very seriously and work closely with the Council's health and safety advisor who has been complimentary of their actions.
- It was noted that liability from an accident involving a motorbike would largely depend on the cause and that Council could be liable should it be as a result of its infrastructure such as a bridge on the property.
- Councillor Dalziel noted that many large farms, corporate farms and land corp farms had changed to using side by sides rather than an ATV. It was not agreed that this should be enforced but education and training for ATV use should continue to be encouraged.

14. **QUESTIONS**

There were no questions.

The meeting closed at 11.57am.

G W Boyde
CHAIRMAN

Confirmed this 15th day of December 2020.

N Volzke
DISTRICT MAYOR

FARM AND AERODROME COMMITTEE MATTERS OUTSTANDING INDEX

D20/11504

ITEM OF MATTER	MEETING RAISED	RESPONSIBILITY	CURRENT PROGRESS	EXPECTED RESPONSE
Differential pricing proposal – commercial vs recreational aerodrome users	15 Sept 2020	Tiffany		Will be covered in the fees and charges workshop – looking at different options for ground lease for commercial and recreational.
Breakdown of expenditure over past 5 years – Aerodrome	15 Sept 2020	Tiffany	Complete	Covered in item 12 – appendix 3
Aerodrag – clarification of plans	15 Sept 2020	Tracy		
Aircraft figures confirmation (July 2019 – 459)	15 September 2020	Tracy		

FARM AND AERODROME COMMITTEE - PROGRAMME OF WORKS

Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22
Aerodrome Commercial Strategy*	Farm Environmental Report	Farm Business Plan/Report	Review Risk Register	Annual Strategic Review	Farm Environmental Report	Farm Business Plan/Report	Review Risk Register
Aerodrome 10 year budget*		Aerodrome Business Plan/Report				Aerodrome Business Plan/Report	
Farm 10 year budget							
Farm Operations - Monthly 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	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	Health and Safety Report	Health and Safety Report

*To be postponed until the March 2021 meeting.

DECISION REPORT



F16/1302 - D20/35464

TO: Farm and Aerodrome Committee
FROM: Property Officer
DATE: 15 December 2020
SUBJECT: CONCRETE PAD INSTALLATION

RECOMMENDATIONS

1. THAT the report be received
2. THAT Council agrees to: *Option 1, 2 or 3 of this report.*

Recommended Reason

A Council decision is required to address the silage issues on the farm.

Moved/Seconded

1. **PURPOSE OF REPORT**

The purpose of this report is to provide options to address the silage storage issues at the Council farm and to seek Elected Members' decision on the preferred option regarding timing.

2. **EXECUTIVE SUMMARY**

There is currently no budget for the installation of the concrete pad to be completed in this financial year.

If it is the desire of this Committee that this be completed in this financial year then a recommendation is required for Council adoption prior to the harvesting of the maize in March 2021.

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 installation of a concrete pad provides an efficient and environmentally friendly use of the silage pit area.

4. **BACKGROUND**

- 4.1 The existing silage pit on the farm was decommissioned 2 years ago due to a large crack on its surface. This crack has caused seepage of toxins which has now caused this area to be unusable for the intended purpose.
- 4.2 For the past two years, a grassed area near the entrance of the farm has been used as storage for silage and maize. It is now proposed to concrete this area going forward.
- 4.3 There is currently no budget for the concreting to be done in this financial year. It has been suggested that this concreting is required prior to March 2021 when the maize will be harvested.
- 4.4 The cost of concreting this area including excavation is approximately \$37,000.

5. **CONSULTATIVE PROCESS**5.1 **Public Consultation - Section 82**

There is no public consultation required

5.2 **Maori Consultation - Section 81**

There is no specific Maori consultation required

6. **RISK ANALYSIS**

Please refer to the Consequence and Impact Guidelines at the front of the reports in this agenda.

- Is there a:
 - financial risk;
 - human resources risk;
 - political risks; or
 - other potential risk?
- If there is a risk, consider the probability/likelihood of it occurring.
- Is there a legal opinion needed?

The risk is potential economic loss to the Sharemilkers which reduces the attractiveness of the Council owned farm to current and future sharemilkers.

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?	The recommendations are consistent with the “ <i>Aerodrome and Farm</i> “ components of the Long Term Plan 2018-2028 and provide a consistent approach to ensure plans around asset management reflects the strategic direction
What relationship does it have to the communities’ current and future needs for infrastructure, regulatory functions, or local public services?	Asset protection – ensure that the farms infrastructure meet Councils Level of Service with Council requirements.

7.2 **Data**

- 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?

Cost of concreting including excavation has been based on quotes received from contractors.

The funding for this work would be by way of a loan.

7.3 **Significance**

	Yes/No	Explain
Is the proposal significant according to the Significance Policy in the Long Term Plan?	No	
Is it:	No	
• considered a strategic asset; or	No	
• above the financial thresholds in the Significance Policy; or	No	
• impacting on a CCO stake holding; or	No	
• a change in level of service; or	No	
• creating a high level of controversy; or	No	
• 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**

An assessment of costs and benefits for each option must be completed. Use the criteria below in your assessment.

1. What options are available?
2. For **each** option:
 - 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.

There are three (3) options before this Committee:

- Option 1:** Do nothing
- Option 2:** Wait until Year 1 of the Long Term Plan;
- Option 3:** Approved a budget for the work to be carried out in this financial year.

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.

There are financial implications as there is a cost for capital expenditure. This will need to be loan funded and a decision needs to be made whether it is incurred in current year without budget or as part of the LTP.

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?

Yes. The Council and its contractors have the capacity to deliver this project.

7.7 **Legal Issues**

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

There are no legal issues.

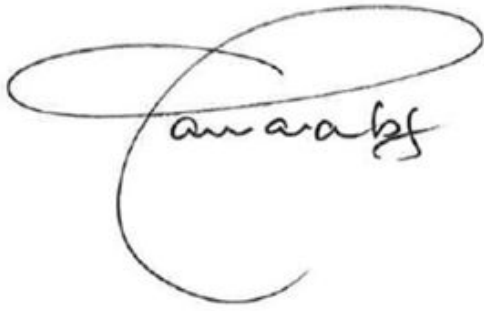
7.8 **Policy Issues - Section 80**

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

There are no policy issues.



Tracy Hinton
PROPERTY OFFICER

A handwritten signature in black ink, appearing to read 'Araba', with a large, stylized flourish above it.

[Endorsed by]
Victoria Araba
DIRECTOR - ASSETS

A handwritten signature in blue ink, appearing to read 'S Hanne', with a long horizontal stroke at the end.

[Approved by]
Sven Hanne
CHIEF EXECUTIVE

DATE: 7 December 2020

DECISION REPORT



**STRATFORD
DISTRICT COUNCIL**

F19/13 – D20/35849

TO: Farm and Aerodrome Committee

FROM: Director – Corporate Services

DATE: 15 December 2020

SUBJECT: **COUNCIL FARM – COST-BENEFIT ANALYSIS OF IN-SHED FEEDING SYSTEM**

10

RECOMMENDATIONS

1. THAT the report be received.
2. THAT the Council approves that the estimated cost of \$53,000 for an in-shed feeding system to be added to Year 1 of the Long Term Plan 2021-31 budget.

Recommended Reason

The proposed feeding system will provide many benefits, financial and non-financial, to be detailed within this report.

Moved/Seconded

1. PURPOSE OF REPORT

The purpose of the report is to seek a decision by the Committee, after consideration of the cost and benefit implications, on whether or not to invest in an in-shed feeding system for the Council's farm and include the financial impacts in the Long Term Plan 2021-31.

2. EXECUTIVE SUMMARY

- 2.1 The decision being asked of the Committee is to approve investment in an in-shed feeding system for the Council farm.
- 2.2 The attached reports demonstrate that the upfront cost would be recouped within 4 years. There are also many other non-financial benefits that would result from this investment.
- 2.3 Therefore, it is recommended that if the recommendation is approved by the Committee, that the expenditure is included in year 1 of the Long Term Plan 2021-31 to allow Council to realise the future potential gains from implementing an in-shed feeding system earlier.

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 – financial benefits, and potential animal welfare improvements	
Social	Economic	Environmental	Cultural
	✓	✓	

4. **BACKGROUND**

- 4.1 At the Farm and Aerodrome Committee workshop in October 2020, as part of the discussion for the Long Term Plan, a request was made by the share-milker for Council to purchase a new in-shed feeding system.
- 4.2 The Committee requested Council staff to prepare a cost-benefit analysis of investing in an in-shed feeding system.
- 4.3 This report, particularly **Appendix 1** and **2**, is the response to that request.

5. **CONSULTATIVE PROCESS**

5.1 **Public Consultation - Section 82**

Minimal level of general public and ratepayer interest, no consultation required.

5.2 **Maori Consultation - Section 81**

No direct effect on tangata whenua, no consultation required.

6. **RISK ANALYSIS**

Please refer to the Consequence and Impact Guidelines

- Is there a:
 - financial risk;
 - human resources risk;
 - political risks; or
 - other potential risk?
- If there is a risk, consider the probability/likelihood of it occurring.
- Is there a legal opinion needed?

There are no material risks as a result of this recommendation.

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?	The decision made today will feed directly into the Long Term Plan.
What relationship does it have to the communities current and future needs for infrastructure, regulatory functions, or local public services?	Improves the farm infrastructure.

7.2 **Data**

- 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 **Appendix 1 and 2.**

7.3 **Significance**

	Yes/No	Explain
Is the proposal significant according to the Significance Policy in the Long Term Plan?	No	Not material from a financial or political perspective.
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
		✓

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.

Option 1 – Recommend inclusion of an in-shed feed system in the Long Term Plan. .

Option 2 - Do not recommend the inclusion of a new in-shed feeding system I the Long Term Plan. .

If the Committee approves including the in-shed feeding system in the Long Term Plan 2021-31 budget, it should also make a recommendation as to which year it should go into – years 1 to 10. Year 1 is recommended.

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 investment is expected to provide for an improved net profit for the farm immediately.

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?

Deferring the investment will result in a deferral of increased net profit, and may result in not being able to attract or retain good quality share-milking partners when the share-milking agreement comes to an end in 2022.

7.7 **Legal Issues**

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

No legal issues.

7.8 **Policy Issues - Section 80**

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

No policy issues.

Attachments

Appendix 1 Background in-shed feed system

Appendix 2 In-shed feed analysis



Tiffany Radich
DIRECTOR – CORPORATE SERVICES

A handwritten signature in blue ink, appearing to read 'S Hanne', with a long horizontal stroke extending to the right.

[Approved by]
Sven Hanne
CHIEF EXECUTIVE

DATE 7 December 2020

APPENDIX 1

ANALYSIS OF IN-SHED FEEDING SYSTEM INVESTMENT

What is an in-shed feed system?

In-shed feeding systems are designed to deliver concentrated feed during milking to supplement cows' pasture based diet.

The feed is stored in a silo close to the milking shed and distributed as required via the feeding system into troughs to be consumed while the cows are being milked.

It is estimated that 28% of New Zealand dairy farms now have in-shed feeding systems.





Benefits to Council of investing in In-shed Feeding System

- Zero-food wastage – food wastage estimated to be somewhere between 25-30% currently.
- Increased milk production as a result of better food utilisation, targeting of food and minerals, improved animal welfare and ‘happiness’ factor when coming into shed.
- Maize food cost eliminated from budget.
- Ability to use Stanley Road block (currently owned by Council and used for growing maize) for other Council purposes as it would no longer be required by the Farm.
- Environmental – with the new greenhouse gas emission levy the in-shed feeding would free up more paddocks currently used for crops.

The benefits to the share-milker benefit Council directly by ensuring the farm is a more productive, efficient unit and capable of attracting and retaining high-performing share-milking partners.

These benefits include:

- Reduction in staff hours required, better work life balance – reduction estimated at approximately 2 hours per day,
- Cost savings in the areas of staffing, machinery, water usage, and pasture management.
- Improved cow flow in the milking shed – more efficient and safer work environment, however it may delay cows movement out of the shed, but this is easier to manage than getting the cows into the shed.
- Ability to target feed to specific cows,
- Ability to accurately measure cow mineral dispersion and intake resulting in better feed and nutrition utilisation,
- Gives each cow the same opportunity to access an equal amount of feed,
- Better monitoring and management of cow food intake resulting in better animal welfare,
- Increase in production (also benefits Council financially)

How much does it cost?

Quotes were obtained (by the share-milker) from two different suppliers:

Quote 1	\$44,714	installed with 17T silo
Quote 2	\$44,002	installed with 16T silo

The above excludes electrical and concrete pad work for silo.

Cost-benefit analysis

For the purposes of the cost-benefit analysis, an investment figure of \$53,000 has been used to allow for some contingency and additional work.

Repairs and Maintenance costs are known to be typically low for in-shed feeding systems so \$500 a year has been used for the model.

Depreciation of the new asset has been calculated using a straight line depreciation method and a 50 year asset life has been assumed.

Interest of 2% has been applied, on a loan term of 25 years which is the standard Council loan term.

Inflation has been applied to R&M and Maize costs.

The food cost saving is due to the farm no longer producing maize – this is the 2019/20 Council share of the maize cost.

The profit from increase in milk production is based on 25% (minimum) better feed utilisation and milking capacity (due to improved animal welfare), and over time an increase in the tonnage being fed through the in-shed feed system, at \$220 profit per additional Tonne targeted to cows, at a \$6.50 payout (current milk price forecast for 2020/21), and 370 milking cows.

Refer to *Appendix 2* for the financial analysis.

The Appendix shows that the investment would be fully paid for within 4 years, and within 10 years would have a net return of \$130k to Council, or a total additional estimated net profit over this period of \$183k.

APPENDIX 2

APPENDIX TWO

COST-BENEFIT ANALYSIS OF IN-SHED FEEDING SYSTEM FOR STRATFORD DISTRICT COUNCIL FARM

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Upfront Asset Cost	-\$ 53,000									
Depreciation	-\$ 1,060	-\$ 1,060	-\$ 1,060	-\$ 1,060	-\$ 1,060	-\$ 1,060	-\$ 1,060	-\$ 1,060	-\$ 1,060	-\$ 1,060
Maintenance	-\$ 500	-\$ 505	-\$ 510	-\$ 515	-\$ 520	-\$ 526	-\$ 531	-\$ 536	-\$ 541	-\$ 547
Interest (based on 25 year loan)	-\$ 1,060	-\$ 1,018	-\$ 975	-\$ 933	-\$ 890	-\$ 848	-\$ 806	-\$ 763	-\$ 721	-\$ 678
Savings	\$ 18,640	\$ 19,827	\$ 19,916	\$ 21,105	\$ 21,195	\$ 21,286	\$ 21,378	\$ 21,470	\$ 21,564	\$ 21,659
Net Return over time (running total)	-\$ 36,980	-\$ 19,735	-\$ 2,365	\$ 16,232	\$ 34,956	\$ 53,809	\$ 72,790	\$ 91,901	\$ 111,143	\$ 130,517
Change in Net Profit only (annual)	\$ 16,020	\$ 17,245	\$ 17,370	\$ 18,597	\$ 18,724	\$ 18,852	\$ 18,981	\$ 19,111	\$ 19,242	\$ 19,374

Savings in food costs

Council share of maize cost	\$ 8,740	\$ 8,827	\$ 8,916	\$ 9,005	\$ 9,095	\$ 9,186	\$ 9,278	\$ 9,370	\$ 9,464	\$ 9,559
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Increase in Milk Production

Palm Kernel fed (Tonnes)	180	200	200	220	220	220	220	220	220	220
add increase @ \$220 profit per Tonne (\$6.50 payout)	9,900	11,000	11,000	12,100	12,100	12,100	12,100	12,100	12,100	12,100

*above based on 25% better feed utilisation and an increase in kgMs per cow, and capacity to feed more increases.

INFORMATION REPORT



TO: Farm and Aerodrome Committee

F16/1302 D20/34923

FROM: Property Officer

DATE: 15 December 2020

SUBJECT: RISK REVIEW

RECOMMENDATION

THAT this report be received.

Recommended Reason

To provide an update to the Farm and Aerodrome Committee of any changes to the Farm Risk Register and advise the Committee of any incidents in relation to the Top Seven Risk on the Risk Register from the previous quarter.

_____/_____
Moved/Seconded

1. **PURPOSE OF REPORT**

This report is part of the Committee's regular Risk Register. It includes a review of any changes made to the Council's Risk Register, and informs the Committee of any incidents in relation to the top seven risks since the last Farm and Aerodrome Committee meeting, held in September 2020.

2. **EXECUTIVE SUMMARY**

The Senior Leadership Team (SLT) discusses changes to the risk register every week as part of the wider Council risk register review. This risk review will be undertaken at the Quarterly Sharemilkers meetings to ensure that all risks are being managed appropriately. In the past quarter, there has been one new risk added to the risk register

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:			
Social	Economic	Environmental	Cultural
	✓	✓	

Active management and monitoring of farm risks will support performance of a good quality local public service.

4. **BACKGROUND**

The Farm and Aerodrome Risk Register was finalised and subsequently adopted by the committee at the September 2020 meeting.

The Risk Register is based on requirements from:

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

The Top Seven Risk Register is solely for risks where the combination of severity and probability of occurrence gives a raw risk score rating of “very high”. These risks are monitored more regularly and in more depth than the other risks by SLT and the Farm and Aerodrome Committee.

5. **INFORMATION SUMMARY**

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

One new Risk been added to the Risk Register since the last Farm and Aerodrome Committee meeting. This being Animal Welfare as per Attachment 1.

If an animal welfare issue eventuates on-farm then reputational damage to both Sharemilkers and Council could occur. This raw score is ‘Medium’ with a residual score of ‘Low’, subject to a number of controls including:

- Ensuring there is good animal welfare practice on the farm; and
- Complying with the necessary codes

5.2 **Changes to the Top Six Risks**

This new risk has been added to the register since the last Committee meeting. We now have a ***Top Seven Risk*** register, as per attached Appendix 1.

5.3 **Incidents or Threats in relation to the Top Seven Risks**

There have been no Incidents or Threats in relation to the top seven risks since the last Farm and Aerodrome Committee meeting September 2020.

6. **STRATEGIC ALIGNMENT**

6.1 **Direction**

Direction has been taken from the Council's Aerodrome and Farm sections of the Long Term Plan 2018-2028 to provide a consistent approach to ensure plans around asset management reflects the strategic direction

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 changes are proposed to the *Risk Register*

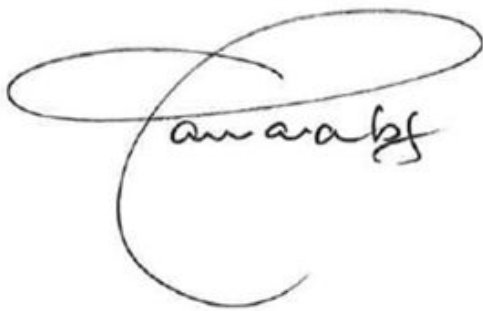
Attachments:

Appendix 1 - Top Seven Risk Register

Appendix 2 – Stratford Aerodrome Hazard Register



Tracy Hinton
PROPERTY OFFICER



[Endorsed by]
Victoria Araba
DIRECTOR – ASSETS



[Approved by]
Sven Hanne
CHIEF EXECUTIVE

DATE 7 December 2020

APPENDIX 1

Farm Risk Register

Risk Category	Risk Subject	Risk Description	Risk Score Raw	Control Description	Residual Risk Score
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

Risk Category	Risk Subject	Risk Description	Risk Score Raw	Control Description	Residual Risk Score
Financial	Low Pay-out	<ul style="list-style-type: none"> • Low pay-out can and will cause financial stress on farm if not handled correctly. • Financial pressure can cause the farm to run on maintenance only. 	Low - Medium	<ul style="list-style-type: none"> • Work with the bank/accountant to set up a budget. A low pay-out can cause the farm to only run 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
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
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. 	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. 	Medium

Risk Category	Risk Subject	Risk Description	Risk Score Raw	Control Description	Residual Risk Score
		<ul style="list-style-type: none"> Change of Government Policy or Legislative change can also have consequences to the reputation of the farm and the council also. 		<ul style="list-style-type: none"> Review contract with Sharemilkers every three years to ensure everyone is on same page 	
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
Health and Safety and Wellbeing	Health and Safety	<ul style="list-style-type: none"> Lone worker - If a staff member is seriously injured or killed on farm, then possible health and safety breaches, death or serious injury. 	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 a lone worker is safe and can communicate effectively in emergency and be reached promptly. 	Low
Animal Welfare	Reputational	<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

APPENDIX 2



Stratford Aerodrome
 232 Flint Road
 Stratford
 ph 06 7656099

HAZARD RISK REGISTER

Source of Risk / Hazard		Risk Rating (Uncontrolled risk rating)			Heirachy of Control	Controls	Residual Risk	Persons responsible	Date to be Completed	Review Date and Initial
Source of Risk / Hazard	Hazard	Consequence	Likelihood	Risk Rating						
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
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
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
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
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

2020- - Agenda - Farm & Aerodrome - December - Information Report - Risk Review

Debris on Airfield	Damage, injury	Catastrophic	Possible	HIGH	M	Physical check of airfield, including runway and wider maneuvering 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
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
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 Bbowser 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 - Aerowork	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 Mistry 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
Winch launching of Gliders	Aircraft impact with winch rope and associated vehicles on runway	Moderate	Possible	MED	M	Operating Procedures Maintaining communication with Radio Operations / Control	LOW	Operations & Members using the Aerodrome	On-going monitoring	N/A - ongoing management

QUARTERLY REPORT



TO: Farm and Aerodrome Committee

F16/1302 – D20/35247

FROM: Property Officer

DATE: 15 December 2020

SUBJECT: FARM AND AERODROME BUSINESS AND FINANCIAL REPORT

RECOMMENDATION

THAT the report be received.

Recommended Reason

This report provides the third quarterly update to the Farm and Aerodrome Committee. It highlights the milk production from the current season at the farm and also 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 activities to the Committee.

2. **EXECUTIVE SUMMARY**

- 2.1 This report provides information on the current position of the Farm and Aerodrome.
- 2.2 The Farm and Aerodrome Works Programme is attached. Please see **Appendix 1**.
- 2.3 It highlights the milk production from the current season at the farm and also reports on the key activities at the Aerodrome.
- 2.4 The Financial Report attached is for the first three months September to November of the farming season. Please see **Appendix 2**.

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
	✓	✓	

It supports the provision of good quality local infrastructure and the performance of a good quality local public service.

4. **INFORMATION SUMMARY**

4.1 **Farm Information**

4.1.1 The farm production currently sits at 67,606 Kg Milk solids (Kg/Ms), as shown in the Monthly Production graph below (see Figure 1).

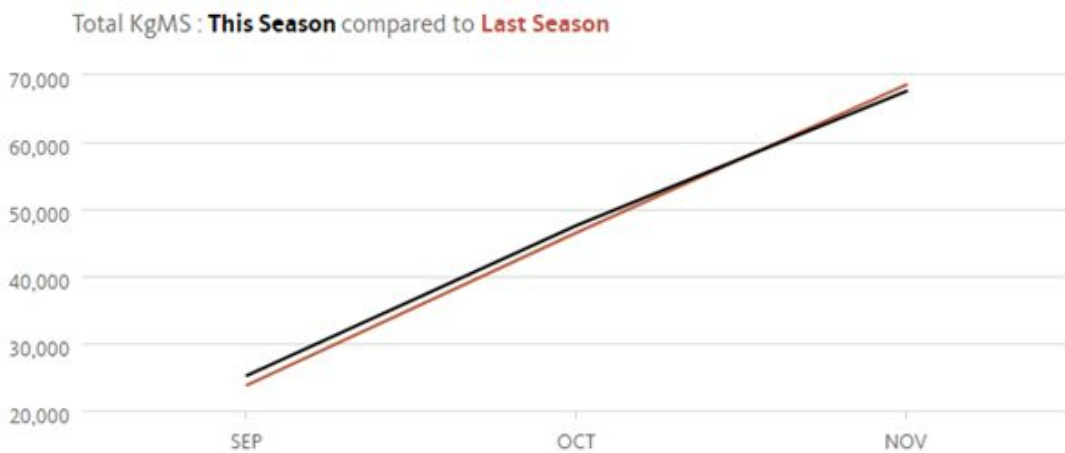


Figure 1: Total Kg Milk Solids Production from September – November

4.1.2 The riparian planting is now complete with continuous maintenance to be undertaken throughout the year.

4.1.3 Spring Fertiliser is now being applied. Turnips and maize have now been planted with the harvest date being early January. Silage has been harvested off the Stanley Road School block with 60 bales returned to the farm. PKE has also been continually purchased throughout the year and is being fed out at a rate of 2kg per day.

4.1.4 The Sharemilkers Quarterly meeting was held on Thursday 22 October. The main focus was the relocation of the race and agreement to where it should be placed. This has been approved to be relocated to the top of the rise.

4.2 Aerodrome Information

4.2.1 The Council have had two separate requests to build a hangar at the aerodrome. Council is now in discussion with the Aero Club Committee on what might be the best avenue to take.

4.2.2 The Summary of the Aircraft Movements by Month (figure 2) and Aerodrome Aircraft Movements by Type (figure 3) are provided below.

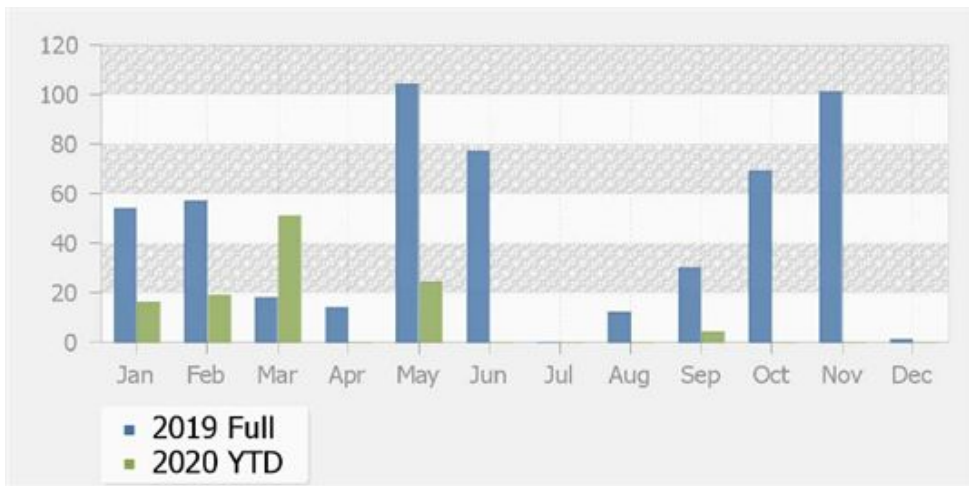


Figure 2: Aircraft Movements by Month

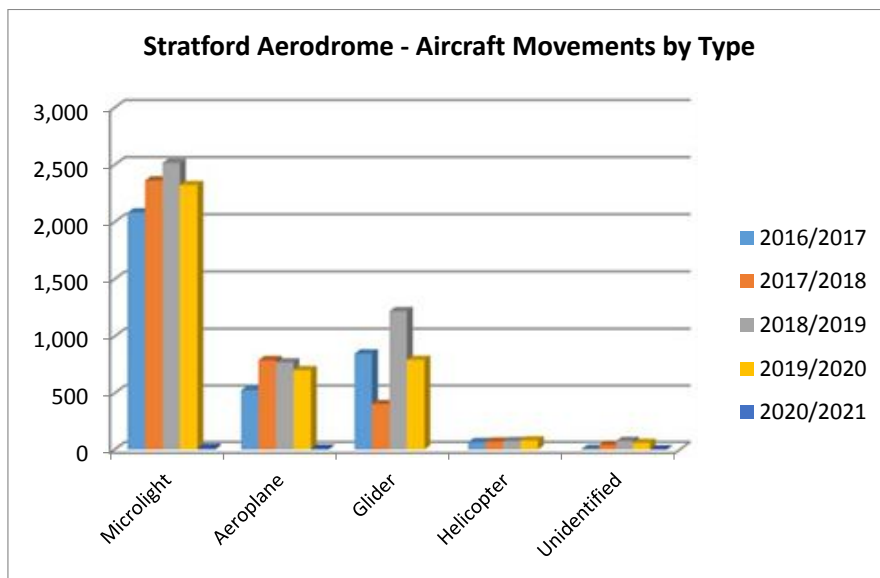


Figure 3 - Aircraft Movements by Type

4.2.3 Attached is the AIMM¹ September summary, to show what is generally reported on and sent to Stratford District Council (Appendix 3)

¹ Anticipated Impact Measurement and Monitoring system

5 **FINANCIAL REPORT**

- 5.1 **Quarterly Profit and Loss Report** – Milk Production is tracking slightly lower than the previous year. Direct operating costs are slightly less than previous year, except food expenditure (sustenance) yet this spend is still under budget.
- 5.2 The forecast milk payout for this season is within a range of \$6.70 to \$7.30 with \$7.00 being the midpoint used for the quarterly P&L forecast.
- 5.3 **Capital Expenditure Report** – 13% of the annual capital expenditure budget has been spent to date.
- 5.4 LTP Draft 10 Year Budget 2021-31 – The full Council budget will be worked through with elected members over the next couple of months. The draft farm budget presented is based on the farm contributing at least \$50,000 to rates, with the remainder covering new capital works and then principal repayments. If the Farm and Aerodrome Committee would like to recommend an alternative method of allocating the net profit, for 2021/22, then now is the time to advise Council officers to ensure this is reflected in the Long Term Plan.

6. **STRATEGIC ALIGNMENT**

6.1 **Direction**

As this is the Committee’s third meeting, Council Officers are looking for governance direction from the Committee, going forward. Council Officers propose that future workshops will be beneficial to develop a “Game plan” for the future.

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 that would affect the proposed District Plan.

6.4 **Legal Implications**

There are no legal implications concerning the report.

6.5 **Policy Implications**

There are no policy implications concerning the report.

Attachments:

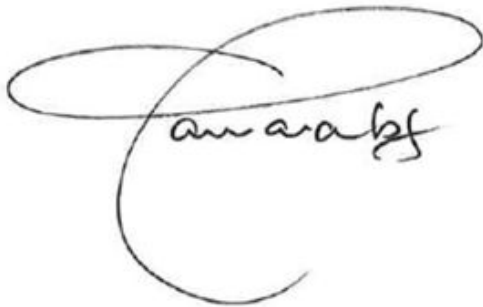
Appendix 1 – Farm Work Programme

Appendix 2 – Quarterly Financial Report 2021, LTP 10 year budget and Capital Expenditure Report for Farm as at November 2020

Appendix 3 – AIMM September Dashboard Report and Aerodrome Profit and Loss



Tracy Hinton
PROPERTY OFFICER - ASSETS



[Endorsed by]
Victoria Araba
DIRECTOR – ASSETS



[Approved by]
Sven Hanne
CHIEF EXECUTIVE

DATE 7 December 2020

APPENDIX 1

Farm Work Programme

2020	January	February	March	April	May	June	July	August	September	October	November	December
Quarterly Meetings												
Fertiliser Application												
Riparian Planting												
Calving												
Drying off												
Sowing crops												
Mowing – SDC Contractors												
Drain Clearing under runway												
Club Day												

APPENDIX 2

Quarterly Financial Reports 2021

	PREVIOUS Q2 2019	ACTUAL Q2 2020	BUDGET Q2 2020	Variance	BUDGET 2020/21
3800 - Farm Investment					
1700 - Income					
Milk Production (KgMs)	68,523	68,296	75,000	-6,704	150,000
Forecast Milk Payout	7.10	7.00	6.50	0.50	6.50
Council's Share of Milk Revenue	243,258	239,037	243,750	-4,713	487,500
1701 - Operating Costs					
Fencing	393	-	1,500	1,500	3,000
R&M Major Works	-	2,337	4,250	1,913	8,500
Repairs & Maintenance	19,366	6,705	15,637	8,931	31,273
Off-Farm Grazing	18,321	17,440	20,000	2,560	40,000
Pasture Management	-	4,042	2,606	-1,436	5,212
Fertiliser	25,749	15,656	21,370	5,714	42,740
Urea	855	2,632	2,500	-132	5,000
Energy Costs	309	-	-	0	0
Insurance	5,839	6,123	6,000	-123	6,000
Lease	3,250	3,250	3,250	-0	6,500
Licences & Permits	660	6,213	365	-5,848	730
Rates (Services Only)	1,190	1,021	537	-484	537
Subscriptions & Publications	487	263	521	258	1,042
Sustenance	18,129	25,470	27,500	2,030	55,000
Weed Control	-	-	2,500	2,500	5,000
	94,547	91,153	108,536	17,383	210,534
1703 - Overheads					
Interest	-	-	-	-	54,001
Depreciation	19,000	13,772	32,850	19,078	65,700
Corporate Services	6,176	6,363	4,911	-1,452	19,644
Assets Director	2,513	1,515	1,002	-513	4,009
Property Asset Manager	7,682	8,751	8,695	-56	34,778
	35,371	30,402	47,458	17,056	178,132
	113,341	117,483	87,757	29,726	98,834

LTP – 10 year budgets

FARM OPERATIONS	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Farm Operations Revenue											
Milk Proceeds	487,500	466,650	478,316	489,318	500,083	511,084	522,328	533,819	545,563	557,566	569,832
Share Dividend	19,840	19,840	19,840	19,840	19,840	19,840	19,840	19,840	19,840	19,840	19,840
Total	507,340	486,490	498,156	509,157	519,922	530,924	542,168	553,659	565,403	577,405	589,672
Farm Operations Expenses											
Consultants	0	500	513	524	536	548	560	572	585	597	611
Fencing	3,000	3,000	3,075	3,146	3,215	3,286	3,358	3,432	3,507	3,584	3,663
Fertiliser/Urea	42,740	70,000	71,750	73,400	75,015	76,665	78,352	80,076	81,837	83,638	85,478
Insurance	6,000	6,429	6,590	6,741	6,890	7,041	7,196	7,355	7,516	7,682	7,851
Aerodrome Lease and run-off lease	6,500	6,500	10,476	10,716	10,952	11,193	11,439	11,691	11,948	12,211	12,480
Licences & Permits	730	730	748	765	782	800	817	835	853	872	891
Off-Farm Grazing	40,000	40,000	41,000	41,943	42,866	43,809	44,773	45,758	46,764	47,793	48,845
Pasture Management	5,212	5,212	5,342	5,465	5,585	5,708	5,834	5,962	6,093	6,227	6,364
Rates	537	650	666	682	697	712	728	744	760	777	794
Repair & Maintenance Building	31,273	30,000	30,750	31,457	32,149	32,857	33,579	34,318	35,073	35,845	36,633
R and M Major Works	8,500	18,200	15,170	19,084	15,860	16,428	20,148	17,159	17,303	21,865	18,072
Subscriptions & Publications	1,042	2,500	2,563	2,621	2,679	2,738	2,798	2,860	2,923	2,987	3,053
Sustenance - food and minerals	55,000	55,000	56,375	57,672	58,940	60,237	61,562	62,917	64,301	65,715	67,161
Weed Control	5,000	4,000	4,100	4,194	4,287	4,381	4,477	4,576	4,676	4,779	4,884
Total	205,534	242,721	249,117	258,412	260,454	266,403	275,621	278,253	284,141	294,574	296,781
Farm Indirect											
Depreciation	65,700	33,054	32,249	34,057	35,925	37,357	37,769	37,946	38,846	38,798	38,633
Overheads	37,000	54,817	55,926	57,533	58,910	60,364	61,813	63,087	64,404	65,660	67,143
Total	102,700	87,871	88,174	91,590	94,836	97,721	99,582	101,033	103,250	104,457	105,776
Loan Interest	54,001	62,374	63,830	63,206	62,438	61,300	60,071	58,810	57,296	55,637	53,927
Contribution to Rates	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Opening Loan Balance	1,968,323	1,928,619	1,955,095	1,934,198	1,914,988	1,877,261	1,836,546	1,794,763	1,744,644	1,689,711	1,633,104
New Capital Works	55,400	70,000	26,138	26,739	14,467	14,785	15,111	15,443	15,783	16,130	16,485
Net principal repayment	95,104	43,523	47,034	45,949	52,195	55,500	56,893	65,563	70,716	72,737	83,188
Closing Loan Balance	1,928,619	1,955,095	1,934,198	1,914,988	1,877,261	1,836,546	1,794,763	1,744,644	1,689,711	1,633,104	1,566,401

Capital Expenditure Report for Farm – as at November 2020

CAPITAL EXPENDITURE REPORT FOR FARM - AS AT 30 NOVEMBER 2020

Council Activity	Project Description	2020/21 Annual Plan Budget (a)	Funds Carried Forward (b)	Total Funds Available (a + b)	2020/21 Actual Expenditure YTD	Remaining Budget to be Spent	Expected Project Completion Date	Status of each Project
Farm	Calf bay	15,000	0	15,000	6,158	8,842	By 30 June 2021	Calf bay completed. Refurbishment to other calf bays will also be required.
Farm	Yard upgrade - funded by loan	30,000	0	30,000	0	30,000	By 30 June 2021	Obtaining quotes for physical works to commence in May 2021, once the dairy season is over
Farm	Landscaping / riparian planting	10,400	0	10,400	0	10,400	By 30 June 2021	Some remaining fencing work will be completed throughout the year.
Farm	Yard replacement - funded by depreciation reserves	30,000	0	30,000	0	30,000	By 30 June 2021	Obtaining quotes for physical works to commence in May 2021, once the dairy season is over
Farm	House - fireplace and floor coverings	12,000	0	12,000	6,546	5,454	By 30 June 2021	Fireplace has been installed. Floor covering is scheduled to be completed before the end of the year
		97,400	0	97,400	12,704	84,696		

APPENDIX 3

Stratford (NZSD)



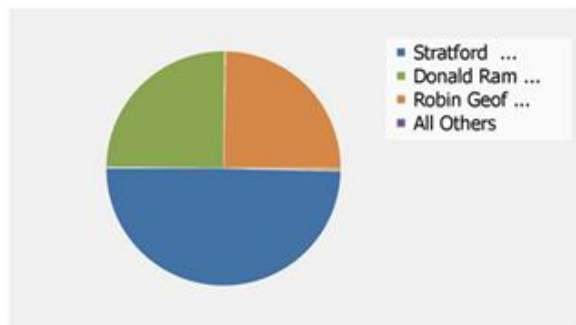
Dashboard... Management Summary for the month of September 2020

AERODROME MOVEMENTS. Aircraft: 10 most Active

Movements	Aircraft	Operator
2	ZK-SSF Zenith Zodiac CH 601-XL	Stratford Aero Club (Inc)
1	ZK-SNJ Monnett Sonerai ILS	Donald Ramsay Boyd
1	ZK-SAL TL-Ultralight TL-2000 Sting UL	Robin Geoffrey Willcox

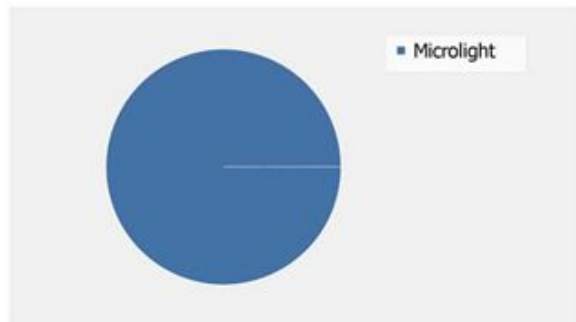
Operators: 5 most active

Operator	Movements
Stratford Aero Club (Inc)	2
Donald Ramsay Boyd	1
Robin Geoffrey Willcox	1
All Other Operators	0
Total	4



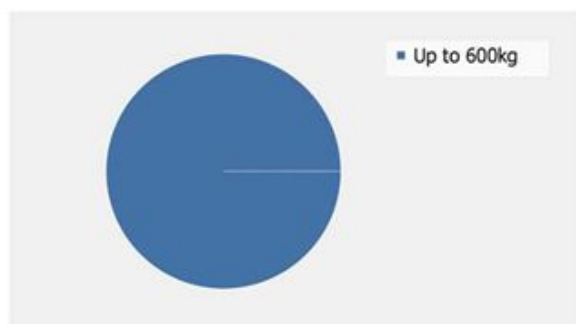
Aircraft Type Summary

Type	Movements
Microlight	4



Aircraft Weight Summary

Weight	Movements
Up to 600kg	4

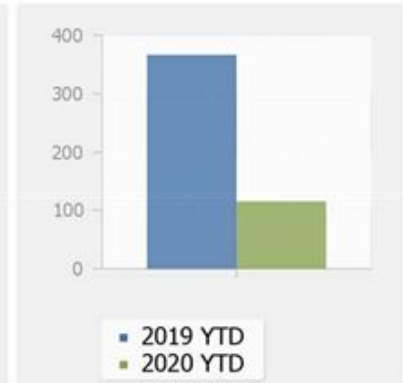
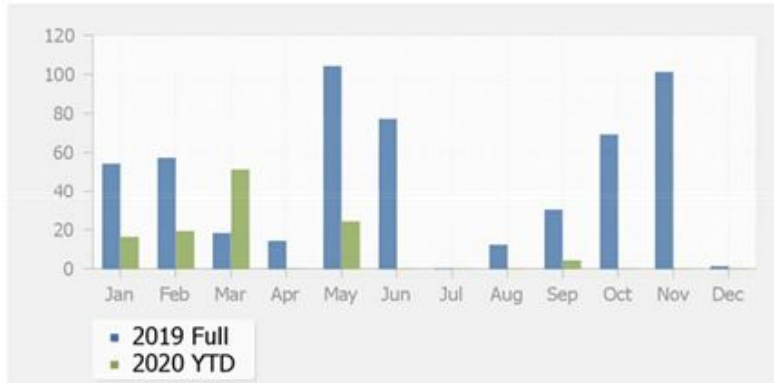


Movements: Days of Week

Weekday	Movements
Mon	0
Tue	0
Wed	0
Thu	0
Fri	0
Sat	2
Sun	2



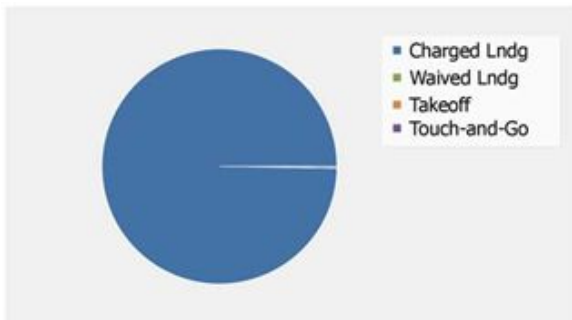
Movements: Months of Year



12

Charge Summary

Status	Movements
Charged Lndg	4
Waived Lndg	0
Takeoffs	0
Touch-and-Go	0



Charged Landings: Includes chargeable Touch-and-Go movements. Fees for these movements were included in the Billing file of invoices that has been sent to the Airport Billing Dept to be imported into the Airport's Billing system.

Waived Landings: Landings where the fee was waived for Exempt and Annual Bulk Charge aircraft. Also Public

Service aircraft (Rescue, Police, Military etc) if they identify as such rather than by aircraft registration. **Takeoffs:** Takeoffs are no charge. The number of Takeoffs and Landings are usually different due to chargeable Touch-and-Go being included as Landings, visiting aircraft that Landed but did not stop, abandoned Takeoffs, and similar situations.

Touch-and-Go: One x Touch-and-Go or Go-Around movement per aircraft flight session is recorded and charged as a 'Landing'. Other such movements in the same continuous series are recorded as 'Touch-and-Go' at no charge, unless Aimm is instructed otherwise.

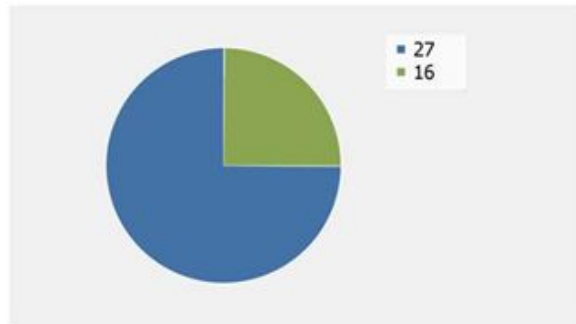
(Continued below...)

Runway

Usage

Summary

Runway	Movements
27	3
16	1



COVID effects on ACTIVITY LEVEL: During September 2020, the airport was used by 3 different aircraft for 4 movements** (Do not yet have data for same month Year-on-Year comparisons). . Unless there have been major changes to the airport operation, this will be the 'Covid Effect'. A Billing File with invoicing details has been sent to your billing dept for invoicing of aircraft operators, and that can also be imported into a spreadsheet for further management analysis.

** A Touch-and-Go event is one (potentially chargeable) entry in the billing file, but as two movements (a landing followed by an immediate take off) in this Dashboard. For the separate Compliance Email a TnG counts as two movements in Australia and one movement in NZ, in conformance with each country's Aviation Authority definitions, so the numbers in the Dashboard / Billing / Compliance reports will be different.

COMPLIANCE REPORTING

Noise Footprint: The Acoustic LDN counts at NZSD during September 2020 were: 4 during the 'Day', which is set to start at 0700. 0 during the 'Night', set to start at 2200.

Civil Aviation: CAA Rule 139.505 requires Non-Certificated Aerodromes such as Stratford (NZSD) to report Movement Data each year. At the required time, Aimm will send an email with links to CAA Form 24139 / 06 and provide the relevant figures for you to submit to CAA so that NZSD remains in compliance.

(Continued below...)

LOCAL AIRSPACE Analysis for September

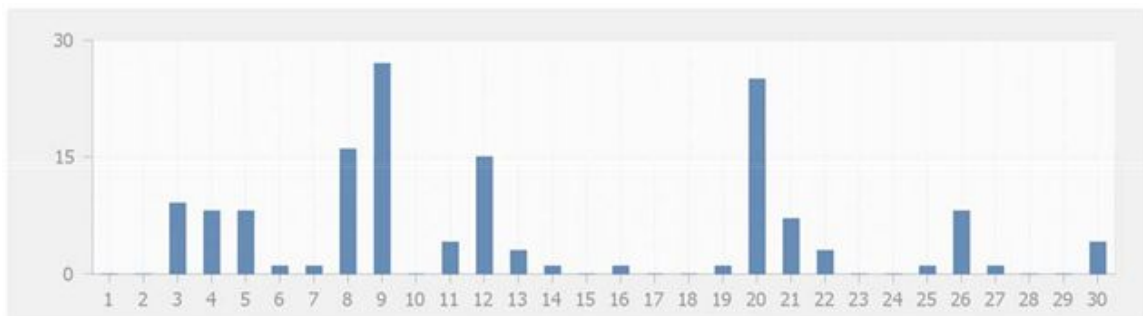
(Aircraft using airspace, not necessarily landing... another indicator of the 'Covid Effect'.)

Summary

- 144 radio calls received for the month.
- 0 calls, on the quietest day, 1-Sep
- 27 calls, on the busiest day, 9-Sep
- 4 calls, daily average for September Wednesday is the busiest day of the week.

AIRSPACE activity, Days of Month

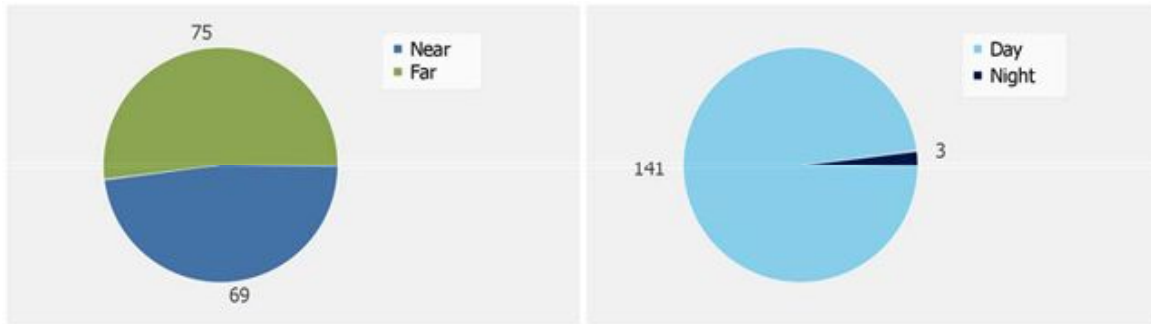
Days of Week



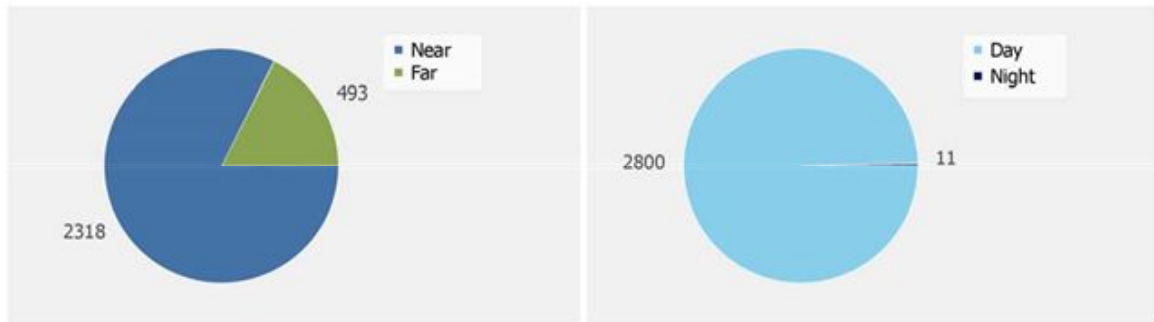
Classification of Local Airspace activity

During September 2020 there was 95% less airspace activity compared to the same month last year. 'Near' are aircraft close enough to the airport that their radio calls are relevant to the airport operations. 'Far' are those on the same radio frequency but far enough away to be not relevant.

'Day' / 'Night' refer to Morning / Evening Civil Twilight calculated each day at the Lat/Long of the airport.



Local Airspace activity in Same Month Last Year



AERODROME - PROFIT AND LOSS ANALYSIS

		2016	2017	2018	2019	2020	Totals	Five year change
Revenue		21	21	22	23	23	110	9.5%
Expenditure		68	77	92	82	96	415	41.2%
Net Cost of Service		47	56	70	59	73	305	55.3%
Rates Funding		46	53	63	72	74	308	60.9%
		<i>Actual</i> 2016	<i>Actual</i> 2017	<i>Actual</i> 2018	<i>Actual</i> 2019	<i>Actual</i> 2020	<i>Budget</i> 2021	
Revenue								
Grazing	1	6,481	6,437	6,832	8,025	7,566	6,500	
Ground Leases	2	14,509	14,257	14,954	15,308	15,308	15,000	
		20,990	20,694	21,785	23,333	22,874	21,500	
Operating Costs								
Insurance		927	675	638	631	752	696	
Contract services	3	-	198	1,269	2,209	1,833	2,606	
R and M Major Works	4	1,773	-	-	-	9,638	10,424	
Repairs and Maintenance		1,394	112	1,497	2,277	-	1,564	
Advertising / Communications		-	482	227	277	303	300	
Subscriptions & Publications		335	3,886	1,188	248	-	521	
Water Consumption	5	-	-	7,589	-	-	-	
Contracted Maintenance	6	38,846	39,317	44,788	46,001	55,598	56,000	
Contractor Response		2,151	6,641	2,192	1,891	1,772	2,193	
		45,427	51,311	59,387	53,535	69,896	74,304	
Administration Costs								
Depreciation	7	503	5,214	5,973	6,113	5,834	7,000	
Overheads		21,946	20,887	27,014	22,448	20,000	25,000	
		22,449	26,101	32,987	28,561	25,834	32,000	
Net Cost of Service		- 46,887	- 56,718	- 70,588	- 58,763	- 72,856	- 84,804	

- 1 This is an internal charge to Farm Activity. Could relook at market rates for grazing.
- 2 Lease fees have not changed in six years - need to relook at different charges and increasing charges.
- 3 Aerodrome IT Systems Ltd - monitoring and reporting aircraft movements
- 4 Aerodrome Levelling - ex Downer in 2020. Re-level runways (\$10k a year over next two years, then \$5k p.a).
- 5 Council contributed towards cost of water usage by Aerodrome due to metering issue.
- 6 Downer has maintenance contract - mowing, clear drains, maintain fences, carparks, driveways, paths, trees, hedges etc.
- 7 Depreciation is for apron pad, carparks, driveways, drainage, landscaping, and fertiliser bins.

QUARTERLY REPORT



F19/13/04 – D20/35253

TO: Farm and Aerodrome Committee
FROM: Property Officer
DATE: 15 December 2020
SUBJECT: HEALTH AND SAFETY UPDATE

RECOMMENDATION

THAT the report be received.

_____/_____
Moved/Seconded

13

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 November 2020.

2 HIGHLIGHTS

- 2.1 There was one (1) recorded incident at the Council Farm.
- 2.2 There were no recorded incidents at the Stratford Aerodrome.

3 INFORMATION

- 3.1 This report provides a summary of the Farm and Aerodrome's Health and Safety performance in the last quarter.
- 3.2 The Council has not recorded any health and safety incidents at the Aerodrome in the last quarter.
- 3.3 There are has been one incident and three near misses on the Farm to report for this quarter and are reported on in 4.2 below.
- 3.4 The Stratford District Council's Health and Safety reporting obligation is to the Audit and Risk Committee. This report essentially informs this Committee of the operational compliance of the Sharemilkers Health and Safety obligations.

4 **SHAREMILKER'S HEALTH AND SAFETY REPORT**

This update from the Sharemilker directly provides an operational summary of the Farm's Health and Safety performance in the last quarter.

4.1 **Staff**

1. The Sharemilker has severely damaged his shoulder and now requires surgery in December. This happened due to lifting a heavy calf onto the trailer. He will be unable to work for approximately 2 months.
2. The Sharemilker is working with the Council's Health and Safety Officer regarding the storage of chemicals on site and the fuel tank that is located on the tanker track.

4.2 **Near-Misses**

Risk: 3 Near Misses to report,

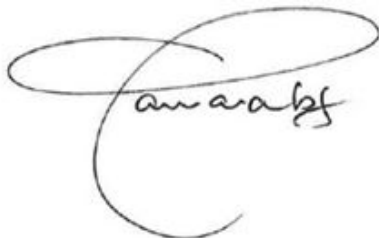
1. A steel spring gate was driven through.
2. A cow kicked out and struck while being treated due to being lame.
3. Contractor hit post with plough went down race and used wrong gateway.

Action:

1. Changed steel to white tape as more visible;
2. Council advised at Sharemilkers meeting; and
3. Informed contracting company and contractor was new and has now been advised to listen to instructions



Tracy Hinton
PROPERTY OFFICER



[Endorsed by]
Victoria Araba
DIRECTOR - ASSETS

A handwritten signature in blue ink, appearing to read 'S Hanne', is positioned above the printed name and title.

[Approved By]:
S Hanne
CHIEF EXECUTIVE

DATE: 7 December 2020