



9 June 2021

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 June 2021** at **12 noon**.

Timetable for 15 June 2021 as follows:

11.45am	Morning tea for Councillors
12noon	Farm & Aerodrome Committee Meeting

Yours faithfully



Sven Hanne
CHIEF EXECUTIVE

2021 - Farm & Aerodrome Committee - June
(15/06/2021)

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FARM & AERODROME COMMITTEE
TUESDAY 15 JUNE 2021 AT 12 NOON

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 – 16 March 2021**
D21/8645 (Pages 7-14)

RECOMMENDATION

THAT the minutes of the Farm and Aerodrome Committee Meeting, held on Tuesday 16 March 2021, be confirmed as a true and accurate record.

/_____
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 – APPROVE (DRAFT) FARM BUSINESS PLAN/REPORT 2021**

D21/19204 (Page 17-40)

RECOMMENDATIONS

1. THAT the report be received.
2. THAT the Committee approves the Draft Farm Business Plan/Report 2021, with actual results for the year ended 30 June 2021 to be reported back to the Committee in September 2021.

Recommended Reason

So that the Committee can approve the final budget for 2021/22, the draft report for 2021 is being presented, as actual results for year end 2020/21 are yet to be finalised.

_____/_____
Moved/Seconded

10. **INFORMATION REPORT – RISK REVIEW**

D21/18644 (Pages 41-49)

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

11. **QUARTERLY REPORT – FARM AND AERODROME BUSINESS AND FINANCIAL REPORT**

D21/18357 (Pages 50-59)

RECOMMENDATION

THAT the report be received.

Recommended Reason

This report provides a 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

12. **QUARTERLY REPORT – HEALTH AND SAFETY**

D21/18380 (Pages 60-61)

RECOMMENDATION

THAT the report be received.

_____/_____
Moved/Seconded

13. **QUESTIONS**



Health and Safety Message

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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 2021 Farm & Aerodrome Committee meetings

Date	16/03/21	15/06/21	21/09/21	07/12/21
Meeting	FA	FA	FA	FA
Neil Volzke	✓			
Grant Boyde	✓			
Rick Coplestone				
Peter Dalziel	✓			
Jono Erwood				
Amanda Harris				
Alan Jamieson	✓			
Vaughan Jones	✓			
Min McKay				
John Sandford	✓			
Gloria Webby				

Key	
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 16
MARCH 2021 AT 12 NOON**

6.1

PRESENT

Councillors G W Boyde (the Chairman), the District Mayor, N C Volzke, P S Dalziel, V Jones and Committee Members the Director Corporate Services – Mrs T Radich and the Property Officer – Mrs T Hinton.

IN ATTENDANCE

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 and the Executive Administration Officer – Mrs E Bishop and two members of the media (Stratford Press and the Taranaki Daily News).

1. WELCOME

The Chairman welcomed the District Mayor, the Chief Executive, Councillors and staff 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 from the Director – Community Services – Ms K Whareaitu was noted.

3. ANNOUNCEMENTS

There were no announcements.

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 – 15 December 2020
D20/37137 (Pages 8-15)

RECOMMENDATION

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

BOYDE/DALZIEL
Carried
F&A/21/1

7. MATTERS OUTSTANDING

- D20/11504 (Page 16)

RECOMMENDATION

THAT the matters outstanding be received.

JONES/DALZIEL
Carried
F&A/21/2

The Chief Executive Officer noted the following points:

- The differential pricing for aerodrome users had been discussed with Council during the Fees and Charges discussions. This is included in item 10 for this Committee's endorsement.
- Contact has been made with the aerodrag organiser who has confirmed this project is now included within plans for the Stratford Park.

8. PROGRAMME OF WORKS

- D20/28552 (Page 17)

RECOMMENDATION

THAT the programme of works be received.

BOYDE/JONES
Carried
F&A/21/3

9. **DECISION REPORT – LTP BUDGETS FOR FARM AND
AERODROME ACTIVITIES**

D21/7539 (Page 18-28)

6.1

RECOMMENDATIONS

1. THAT the report be received.

BOYDE/VOLZKE
Carried
F&A/21/4

2. THAT the Committee endorses the draft budgets within the Long Term Plan 2021-31 (“LTP”) for both the Farm and Aerodrome activities for Council to release for public consultation.

DALZIEL/VOLZKE
Carried
F&A/21/5

Recommended Reason

Endorsing the budgets fits within the scope of the Committee’s objectives.

The Director – Corporate Services noted the following points:

- This report seeks the Committee’s endorsement for the 10 year budgets that will go into the Long Term Plan (LTP) for the Farm and Aerodrome activities.
- The Farm budget was presented to the sharemilkers at their quarterly meeting and some minor changes were made.
- This includes the establishment of the Farm Reserve Account which was requested by this Committee to give the ability to decide annually if it was to recommend more than the agreed \$50,000 of the profit to be used for rate mitigations. This can be done for the following year and agreed upon at the time of approving the Annual Plan.
- The assumptions have been made on a \$6.25 pay out with farm production and dividends remaining the same.
- The actual financials are included on page 24 and are a high level report on the operations with a detailed report on page 25 and capital expenditure on page 26. These will be reviewed on an annual basis but show the forecast for the next 10 years.

Questions/Points of Clarification:

- Councillor Jones noted previous discussions regarding the approval of the in-shed feed system noted the efficiencies that this installation would provide but noted they were not reflected in the feed or sustenance budget. Mrs Radich clarified that the budget was conservative and the efficiencies had not been included as it was unclear how far that will reach at this time. The Chief Executive noted the budgets were subject to public consultation and therefore the in-shed feed system could still be removed, leaving the feed and sustenance budgets in gave security there would still be budget available should it be needed. The Chairman noted it was expected there would be an increase to production with the installation of the in-shed feed system.

Farm and Aerodrome Committee 16/03/2021
D21/8645

- It was clarified that the option to fix the milk price had been delegated to the Chief Executive. He noted he had spoken to the sharemilker regularly regarding this option and at this point there was no appetite to fix the price with Fonterra.
- It was clarified that the fertiliser budget was the cost of the fertiliser with cartage and spreading the responsibility of the sharemilker, the off farm grazing and sustenance budgets were the 50% share we were required to pay towards these costs.
- It was clarified that the extra budget for race improvements had been added to the R&M Major Works line.
- It was noted the assumptions showed a fixed amount for rate mitigation with the rest of any profit being put towards debt repayment. Mrs Radich clarified that the Committee's terms were that \$50,000 would go towards rate mitigation and the rest would go towards debt repayment. What amount of the profit to be put into the reserve and/or towards debt repayment would need to be a deliberate decision made by the Committee at the time of receiving the Year End financials.
- Councillor Dalziel noted his concern with the reduction of debt repayments over the 10 year budget. He felt a set amount should be allocated towards principal loan repayments along with the \$50,000 rates mitigation and operating expenses, interest costs and depreciations would be a truer reflection of the Farm's financial performance. With the figures presented in this budget he did not feel the farm was economically viable. He felt a set repayment amount would show a deficit but felt at least this would be a truer budget. Mrs Radich noted the assumptions allowed for inflation on all expenses but this was not reflected in revenue. The milk price was out of our control so an average is used to set the budget. It would be hoped there would be an increase to revenue. The Chairman noted an increase in the milk price can make a huge difference but that it was very dependent on the year.
- The District Mayor acknowledged the income figures were conservative throughout the budget and felt comfortable with the debt repayments budgeted for in the first three years.
- It was clarified that these budgets would be reviewed at each Annual Plan. Councillor Dalziel noted he was satisfied there was an annual review but was not comfortable to set a full 10 year budget and indicate the Farm would carry residual debt while reducing loan repayments.
- It was noted that this Committee did not meet again until June therefore any requests to change the budget in the LTP would need to be changed by way of an internal submission during the consultation process.
- Councillor Jones requested the total debt amount on the farm and interest rates. He felt that the budgeted repayment of \$60,000 was well above what was required. Mrs Radich noted it was approximately \$1.8 million. It was requested that this information be brought back to the committee at the next meeting.
- It was clarified that a set loan repayment amount of \$30,000 (as suggested) would affect the interest amount throughout the budget.
- It was requested that the \$50,000 rate mitigation be brought out of the general rates line to show it clearly on the budget as an individual line.
- The Deputy Mayor noted the reducing repayments but acknowledged the need for budgets to be conservative.
- Councillor Dalziel noted he would support this budget as it stood due to the LTP timeline. He felt there was a better way to present the budget as this budget shows fixed revenue and this could be adjusted. The deeper concern was that the farm was simply not making enough money which would require another discussion. He would support

the inclusion of a separate budget line to show the rate mitigation if it didn't change figures for the LTP.

- The District Mayor noted there was no budget for additional software to record landing information and no budget for the additional revenue. Mrs Radich noted that the landing fees have not yet been agreed on by Council, the software costs would be offset by the revenue if landing fees are introduced.

6.1

10. **DECISION REPORT – AERODROME FEES AND CHARGES**

2021/22

D21/7596

(Page 29-34)

RECOMMENDATIONS

1. THAT the report be received.

JONES/BOYDE
Carried
F&A/21/6

2. THAT the Committee endorses the proposal to introduce Landing Fees at the Stratford Aerodrome, in addition to the introduction of other fees and charges, on the provision that the community is consulted on the proposal, in particular the Stratford Aeroclub and other aerodrome users, and all feedback is taken into account when making the final decision.

JONES/BOYDE
Carried
F&A/21/7

Recommended Reason

The Aerodrome activity is under the oversight of the Farm and Aerodrome Committee.

The Director – Corporate Services noted this report sought the Committee's endorsement of the introduction of new fees and charges at the Aerodrome. Most of these were around landing charges. If the committee agrees to these charges then consultation will follow with the users.

Questions/Points of Clarification:

- It was clarified that this endorsement would also support the new software required to track landings.

11. **INFORMATION REPORT – UPDATED ENVIRONMENTAL
TAIKI REPORT**
D21/7041 (Pages 35-87)

RECOMMENDATION

THAT this report be received.

JONES/BOYDE
Carried
F&A/21/8

Recommended Reason

To provide an update to the Farm and Aerodrome Committee of the newly updated Taiki Environmental report.

The Property Officer noted this was the updated Taiki Environmental Plan done by Fonterra. This has been updated to include greenhouse gas emissions. This plan ties everything together and includes optimisation of fertiliser and effluent on the farm and paddock strategies.

Questions/Points of Clarification:

- It was clarified that the indicator for feed storage would move to green now the old silage pit had been decommissioned and the new concrete pad completed.
- It was noted the farm was up to date with the environmental report and a lot of the recommendations have now been completed.
- The District Mayor noted how impressive the clinical and scientific analysis was and that it provided strong measures with goals and targets for environmental outcomes. He noted how well Council was featuring alongside these goals.
- It was clarified that riparian planting had all been completed which meant all streams and rivers are fenced off. This will be signed off within this report when the next site visit is undertaken.
- It was noted there was currently no charge for this plan.

12. **INFORMATION REPORT – RISK REVIEW**

D21/6686 (Pages 88-96)

RECOMMENDATION

THAT this report be received.

DALZIEL/JONES
Carried
F&A/21/9

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.

The Property Officer noted as this was a working document amendments can be made at any time.

13. **QUARTERLY REPORT – FARM AND AERODROME BUSINESS AND FINANCIAL REPORT**

D21/6694 (Pages 97-106)

RECOMMENDATION

THAT the report be received.

BOYDE/DALZIEL
Carried
F&A/21/10

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.

The Property Officer noted the following points:

- This report provides current information on the financial position of the farm and aerodrome.
- The works programmes for both activities is attached.
- Milk production is down 2.3% but this is as a result of a drop in grass growth due to the rain at the beginning of the last quarter.
- The last quarterly sharemilkers meeting included a look over the farm which was a really positive experience. The farm race and concrete pad are now both complete. The contractor had to be brought back to install a drain along the race as this hadn't been completed. It was clarified there was no further expense for this as it had been a part of the initial scope for the job.

Questions/Points of Clarification:

- It was noted there was an error in milk revenue in the financial report on page 105. The Director – Corporate Services would amend this and resend it to the Committee.
- It was clarified that the capital expenditure was at January 2021 and not 2020.
- It was clarified the drop in aircraft movements between July and October were due to a significant drop in use over the winter months and the inaccuracy of the recording device.
- Councillor Jones thanked Mrs Hinton for sharing the minutes but requested that the attachments to the sharemilkers quarterly meeting be circulated.
- The Chairman noted the cooperative difference initiative which would result in an extra 10cents being added to the milk price. He confirmed the farm was well set up to comply with all requirements for this.

14. **QUARTERLY REPORT – HEALTH AND SAFETY**

D21/6703 (Pages 107-108)

<p><u>RECOMMENDATION</u></p> <p><u>THAT</u> the report be received.</p> <p style="text-align: right;"><u>BOYDE/JONES</u> Carried F&A/21/11</p>

The Property Officer noted there was one recorded incident on the farm and none at the aerodrome. The sharemilker is continuing to work with Council’s Health and Safety Advisor regarding the chemicals held onsite and the fuel tank. The reported incident was a staff member driving a side by side into a water trough. This has been addressed with staff being reminded farm vehicles are to treated like road vehicles.

15. **QUESTIONS**

The meeting closed at 1.01pm

G W Boyde
CHAIRMAN

Confirmed this 15th day of June 2021.

N Volzke
DISTRICT MAYOR

FARM AND AERODROME COMMITTEE MATTERS OUTSTANDING INDEX

D20/11504

ITEM OF MATTER	MEETING RAISED	RESPONSIBILITY	CURRENT PROGRESS	EXPECTED RESPONSE
Clarification on principal repayment requirements and total debt on farm.	16 March 2021	Tiffany Radich		A verbal update will be given at the meeting.

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



F19/13 – D21/19204

TO: Farm and Aerodrome Committee
FROM: Director – Corporate Services
DATE: 15 June 2021
SUBJECT: APPROVE (DRAFT) FARM BUSINESS PLAN/REPORT 2021

9

RECOMMENDATIONS

1. THAT the report be received.
2. THAT the Committee approves the Draft Farm Business Plan/Report 2021, with actual results for the year ended 30 June 2021 to be reported back to the Committee in September 2021.

Recommended Reason

So that the Committee can approve the final budget for 2021/22, the draft report for 2021 is being presented, as actual results for year end 2020/21 are yet to be finalised.

Moved/Seconded

1. PURPOSE OF REPORT

To present the Committee with draft year end results for the Council farm for 2020/21 and a high level update on operations, and for the Committee to approve the final budget for the Council farm for 2021/22.

2. EXECUTIVE SUMMARY

- 2.1 The Farm Business Plan / Report 2021 is an opportunity to present to the Farm and Aerodrome Committee a summary of the past year. It clarifies the objectives of the farm, and intentions for farm profits, and highlights any proposed changes from the previous year. It gives elected members, the public, and other stakeholders, transparency of the financials, and opens the opportunity for better decision making.
- 2.2 The 2020/21 year has been a successful year in that production exceeded budget, the forecast milk price is set to be at least \$1 per kg/MS over budget, and expenditure is below budget, resulting in a strong profit for the year end. However, capital expenditure was \$182,642 over budget for the year, with the majority relating to improvements rather than replacements.

2.3 The budget for the new financial year is to be formally approved by this Committee, prior to the adoption of the Council’s Long Term Plan 2021-31, and is presented within the Farm Business Plan / Report 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 farm is expected to provide a financial contribution towards rates, to minimise and smooth the impact of rates on the Stratford district ratepayers.

4. **BACKGROUND**

4.1 On 16 March 2021, the Farm and Aerodrome Committee endorsed the draft budget for the Council farm for the next ten years. This report presents a more detailed version of the budget for year 1 of the Long Term Plan, for the year ended 30 June 2022. The draft budgets were released for consultation from the end of March to late April. No changes were made to the draft farm budget initially presented, following consultation and deliberations on the Long Term Plan.

4.2 The actual results for 2020/21 are above expected performance, largely due to higher than budgeted revenue, and budgeted expenditure not taking into account the reduction in depreciation and interest as a result of the sale of the Campbell section in the previous financial year, resulting in lower actual expenditure. The overall net profit, expected to be finalised in late July and presented to the September Farm and Aerodrome Committee, is \$243,818.

5. **CONSULTATIVE PROCESS**

5.1 **Public Consultation - Section 82**

The final results for the Council farm for 2020/21 will form part of the Annual Report 2020/21 and are released to the public via an Annual Report summary document, once Council formally adopts the Annual Report.

The budgets for 2021/22 have been formally consulted on as part of the Long Term Plan consultation process.

5.2 **Maori Consultation - Section 81**

As above, iwi have been consulted on as part of the Long Term Plan consultation process.

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 This report is a direct risk response in relation to *Risk 59: CCO and other out-sourced functions*. One of the risk controls in minimising the risk of potential non-compliance or financial loss is to ensure a Farm Business Plan is presented to Council annually. No legal opinion is required.

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 – direct link to Council’s Long Term Plan.
What relationship does it have to the communities current and future needs for infrastructure, regulatory functions, or local public services?	Direct relation to funding future community needs.

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 the attached Farm Business Plan / Report 2021

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 stakeholding; 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**

<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.

Options are:

- Option 1** Approve the Farm Business Plan / Report 2021.
- Option 2** Approve the Farm Business Plan / Report 2021, with amendments.
- Option 3** Do not approve the Farm Business Plan / Report 2021.

Note – final results for 2020/21 will be brought back to the September Farm and Aerodrome Committee, along with a final recommendation on any contribution to the Farm Reserve.

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.

These have been addressed within the Long Term Plan 2021-31. However, the contribution of funds to the newly established Farm reserve will need to be discussed at the September 2021 Farm and Aerodrome Committee meeting for a final decision to be made. The recommendation within this report is that indications are that a contribution to the Farm Reserve is not advisable as any contribution would be debt funded which is not specifically provided for in Council's Revenue and Financing Policy.

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?

The recommendation does not conflict with any Council Policies.

Attachments:

Appendix 1 Farm Business Report 2021



Tiffany Radich
DIRECTOR – CORPORATE SERVICES



[Approved by]
Sven Hanne
CHIEF EXECUTIVE

DATE 8 June 2021



APPENDIX 1

D21/19052

June 2021

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Executive Summary

In 2020, the Farm and Aerodrome (Council) Committee was established to provide governance and oversight of the combined activities of the Council owned Dairy Farm and the Stratford Aerodrome. This report is presented to the Committee in order to enable it to fulfil its responsibilities under the *Farm and Aerodrome Committee Terms of Reference*.

The Stratford District Council Farm Business Report 2021 provides an overview of the Farm Activity, a report on the financial results for 2020/21, and presents the budget for 2021/22.

The actual results (forecasted for June 2021) for the year ended 30 June 2021 have Net Profit up on budgeted Net Profit, at \$243,818. This is largely due to budget assumptions around revenue, specifically milk price forecast. Milk solid production was slightly higher than budget at 150,918 kg/MS compared to a budgeted figure of 150,000 kg/MS, and the net forecast milk pay-out of \$7.55, is \$1.05 higher than what was originally budgeted (\$6.50). This takes the expected milk revenue figure to \$569,714, up \$82,214 on budget.

Farm debt has increased in 2020/21 by \$19,328, due to a year of significant investment in farm infrastructure.

As part of the LTP 2021-31, a Farm Reserve was established so that profits earned above the rates contribution during the year could potentially be set aside in a reserve to be put towards rates in the following or later years. This year, it is not recommended that any funds be added to the Reserve.

Note: the actual results for 2020/21 will not be finalised until mid-July and will be brought to the September Audit and Risk Committee for final adoption.

The operational budget for 2021/22 has been set so that \$50,000 contributes towards rates, \$61,000 of debt is repaid, and there is \$73,000 of capital expenditure reinvested in the farm.

Goals and Objectives of the Farm and Aerodrome Committee

1. To operate the farm as a separate, economic, business unit.
2. To physically support the aerodrome by way of providing a buffer zone between it, and surrounding, existing or potential, properties, and
3. The profits from the farm to be used to provide a 'dividend' to Council to offset rates, reduce debt, or be reinvested in capital works on the farm as set by Council during the Annual or Long Term Plan process.
4. To ensure the Aerodrome activity is contributing to the Council's Community Outcomes in a cost-effective manner.

Each of these objectives has been fulfilled in the 2020/21 year.

Summary from Share-Milkers

Hello All,

We are Aaron and Fiona Riddick 50/50 sharemilkers on Stratford District Council Farm and have been since 2014. We are a family of 4 with two boys Hunter 8 and Charlie 6 who attend Stratford primary school. We love being a part of the Stratford Community and involved with kids in sports, coaching and on committees. Aaron works full-time on farm and Fiona is an accountant with CMK.

With our current share-milking contract due to come up for consideration, we thought it would be of benefit to give the Council a recap on what has been achieved since we took over the farm.

2014/15 our first season, we moved from a 220 cow farm on Norfolk road to 202 Flint Road milking 280 cows and achieved 115,000KgMs.

2015/16 Stratford council purchased the Campbell Farm adding just over 40 hectares to the farm and we increased our herd numbers to 395. A new race joining the farms was completed and fenced by us.

2016/17 the cowshed extension was undertaken, this increased the shed from a 26 aside to a 36 aside, the old Campbell cowshed was back in business for a couple of weeks and we moved from 202 to 188 Flint Road, Campbells house.

2018/19 cup removers were installed in the cowshed making day to day shed operations more efficient.

2019/20 New bridge on farm and we moved to 186 Flint Road the house was moved on from Pembroke road and the Campbell house was subdivided and sold, meaning a relocation for our family, but resulting in Council being able to pay down some debt.

2020/21 New Race, Silage Pad and water tank were completed and Yard Extension, loading ramps and in-shed feed commences for the new season.

The ongoing capital expenditure now means the council farms infrastructure is of a high standard and we appreciate all the work the councillors and committee have done to make this happen. We have always worked on the farm and looked after it like it was our own. We have completed kilometres of fencing, planted thousands of plants, installed new waterlines, resized paddocks and the hard work is paying off. The Stratford Council Farm is somewhere we are very proud of.

We have worked with councillors and council staff over the last number of years and look forward to a continued working relationship. We welcome anyone on council to come on farm and take a look and see how your decisions in office have come to life on farm.

Thanks Aaron & Fi

Local Government Purpose

The farm is considered to be an economic investment that was purchased for the purposes of providing a financial contribution to ease the burden of rates on the community.

Social – The farm does not directly benefit social well-being in any fundamental way.

Economic – The farm contributes to the economic well-being of the district by providing rates mitigation for ratepayers. It is not in direct competition with other businesses in the district and therefore does not diminish economic activity. It provides some employment opportunities and contributes to the district economy through procurement of goods and services.

Environmental – Dairy farming is generally not viewed as an environmentally friendly activity. However, the Council is directly involved in riparian planting and complies with environmental regulations. Council has increased its investment in this area, as industry stakeholders demand better farming practices.

Cultural – The farm does not directly benefit cultural well-being in any fundamental way.

Summary of the Farm

Address: 202 Flint Road East, Stratford
Farm Area 158ha, 132 ha effective
Topography – flat
Soil type: Volcanic

Council owns 158,716 Fonterra shares – valued at \$3.38 as at 31 May 2021

Farm and Aerodrome Committee Members x3

Grant Boyde (Chair), Peter Dalziel, Vaughan Jones

Council Staff Committee Members x2

Council Farm Liaison – Property Officer
Accountant – Finance Officer

Share-milkers

Fernharp Trust Partnership: Aaron Riddick and Fiona Hogan-Riddick
Share-milking agreement is in effect until 31 May 2022
Consultant: Jono Buchly

Infrastructure

Cow Shed:

Herringbone 36 aside, automatic cup removers, and automatic teat sprayer (owned by share-milker).
Milk room, office, toilet and pump room.
16,000 L vat (owned by Fonterra)

Yard:

Main yard 300 – 320 when rowed up (72 in bales) – this will be increased to 400 once the year extension is complete
Bobby calf shed with loading ramp
An additional loading ramp will be built next to the main yard as part of the extension
Lockable shed for bikes and tools
2 x 4 bay hay sheds
Silage pit concrete floor

Water tank: 30,000 litres

Irrigation – travelling irrigator – 20ha

Old cowshed, loading race and vet race

Two bay shed / calf rearing

Lockable shed – Fertiliser spreader storage

2 x one bay hay barns

Sheep shearing shed

Two metal pits

Worker's Cottage and Farm House

4 bedroom house, car port and small shed

1 self-contained cabin

3 bedroom house – relocated from Pembroke Rd

Operational

370 Friesian-Cross Cows (owned by the share-milker)

System 3 Feeding – 10-20% of total feed is imported to extend lactation and increase production

Financial Performance

Financial Results 2020/21

Net Profit for the year is expected to be \$243,818.

Total Revenue is up against budget by \$71,743, at \$579,083.

Milk supply revenue came above budget by \$82,214, at \$569,714. This was a direct result of the final forecast milk price being higher than the original milk price expectations of \$6.50 per KgMS. The final Fonterra payout has not yet been determined but the mid-range forecast milk price is \$7.55 per kg/MS. Note, no milk solids have been fixed this year, under Fonterra's guaranteed milk payment scheme.

The Council budgeted for a dividend of 25 cents per share based on historical data. Two dividends were received during the year, both at 5 cents per share.

Expenditure overall is down against budget by \$58,401, at \$335,265.

Farm working expenses is slightly under budget by \$3,442 at \$212,092 for the financial year.

Indirect expenses are under budget by \$54,959 at \$123,173, largely due to depreciation coming under budget by \$32,359 due to the sale of depreciable assets, and interest expenditure under budget by 10,876 due to a loan repayment in the previous year lowering debt servicing costs.

Summary of other measures:

- The value of the Fonterra shares held at the start of the financial year (1 July 2020) was \$593,598, at \$3.74. As at 3 June 2021, the shares are worth \$3.38 each, with a total value for Council of \$536,430. There has been recent downward pressure on the share price due to the uncertainty created by Fonterra's capital restructure proposal – discussed later in the report.
- In this financial year, the number of cows milked increased to 370. Production decreased from the previous year all time high of 153,779 kg/MS, to 150,918 kg/MS.
- Actual total expenditure per Kg/Ms produced is \$2.22 (2020: \$2.22).

Financial Budget 2021/22

Budgeted Net Profit for the year has been conservatively set at \$110,958.

High level assumptions include number of cows (370), effective hectares for farming (132), production KgMS per cow (395), and interest rate (2.18%).

Total revenue for the farm for 2021/22 is budgeted at \$488,590.

The milk price assumption of \$6.25 is based on conservative forecast assumptions at the time the LTP 2021-31 was prepared and is a conservative estimate, as history has shown that the milk price can drop significantly from the original forecast over the course of the season.

A dividend has been budgeted for in the 2021/22 year of 25 cents per Fonterra share, with half of the dividend to be paid to the share-milker.

Total expenditure for the farm is budgeted at \$377,632 in 2021/22.

Farm working expenses are higher than the previous year budget by \$27,187 due to significant increases in Fertiliser (increase by \$27,260), and R&M Major (increase by \$9,700), despite removal of Miscellaneous expenditure of \$5,000, and removal of Urea expenditure of \$5,000.

The Council overhead allocation is expected to be slightly lower than 2020/21, at \$56,536 (2020/21: \$58,441).

Interest expense is budgeted at \$45,321 for the financial year.

The depreciation expense is budgeted at \$33,054 for the 2021/22 year.

The budgeted net profit could potentially allow for a loan repayment of \$63,000 – refer to Table 4 for the expected loan balance at year end.

Budgeted total expenditure is \$2.52 per kg of milk solid produced (2020/21: \$2.62).

JUNE 2021 YTD FINANCIAL REPORT - FARM (FORECAST)

	ACTUAL <u>2020/21</u>	BUDGET <u>2020/21</u>	Variance	BUDGET <u>2021/22</u>
3800 - Farm Investment				
1700 - Income				
Milk Production (KgMs)	150,918	150,000	918	150,000
Forecast Milk Payout	7.55	6.50	1.05	6.25
Council's Share of Milk Revenue*	569,714	487,500	82,214	468,750
Dividend	9,369	19,840	10,471	19,840
Total Income	579,083	507,340	71,743	488,590
1701 - Operating Costs				
Fencing	3,000	3,000	0	3,000
R&M Major Works	6,000	8,500	2,500	18,200
Repairs & Maintenance	31,801	31,273	-528	30,000
Consultants	695	0	-695	500
Off-Farm Grazing	40,000	40,000	0	40,000
Pasture Management	8,463	5,212	-3,251	5,212
Water Supply - Maintenance	1,073	0	-1,073	0
Fertiliser	45,000	42,740	-2,260	70,000
Urea	5,036	5,000	-36	0
Energy Costs	-	0	0	0
Insurance	6,123	6,000	-123	6,429
Lease	5,958	6,500	542	6,500
Licences & Permits	685	730	45	730
Rates (Services Only)	1,021	537	-484	650
Subscriptions & Publications	4,800	1,042	-3,758	2,500
Sustenance	45,000	55,000	10,000	55,000
Weed Control	7,436	5,000	-2,436	4,000
Miscellaneous	-	5,000	5,000	0
	212,092	215,534	3,442	242,721
1703 - Indirect Costs				
Interest	43,125	54,001	10,876	45,321
Depreciation	33,341	65,700	32,359	33,054
Corporate Services	18,262	19,644	1,382	21,294
Assets Director	4,084	4,009	-75	5,809
Property Asset Manager	24,361	34,778	10,417	29,433
	123,173	178,132	54,959	134,911
Total Expenditure	335,265	393,666	58,401	377,632
Net Profit	243,818	113,674	130,144	110,958

*Only an estimate, actual milk revenue for the 2020/21 financial year is reliant on a number of variables.

Capital Expenditure

Capital expenditure in 2020/21 is over budget by \$182,642 and is a result of:

- Yard Upgrade – The budget of \$60,000 is expected to be exceeded by \$80,000 (to \$140,000) due to an increase in the scope of the project.
- New Concrete Feed Pad - \$52,986 was spent on a new feed pad as the old feed pad was no longer usable. No budget was allocated for this expenditure.
- New Races - \$35,062 was spent on relocating a number of races that were causing animal welfare issues due to the weather and other factors. No budget was allocated for this expenditure.
- Effluent Pump - \$15,710 was spent on replacing the existing pump which failed. This was covered by insurance, so only a \$5,000 insurance excess was payable. No budget was allocated for this expenditure.

Capital Expenditure Budget 2021/22

The Council has budgeted to invest \$73,000 of capital expenditure in the farm in 2021/22 – all to be loan funded as the expenditure proposed all relates to improvements, rather than replacing existing assets.

Projected Capital Expenditure				
	BUDGET	ACTUAL	VARIANCE	BUDGET
	2020/21	2020/21	2020/21	2021/22
Renewals				
Farm House	\$ 12,000	\$ 12,344	(344)	-
Yard Replacement (part 50%)	\$ 30,000	\$ 30,000	-	-
Effluent Pump	\$ -	\$ 15,710	(15,710)	-
Total Renewals	\$ 42,000	\$ 58,054	(16,054)	-
Increase in Service Level				
Calf Bay	\$ 15,000	\$ 15,000	-	-
Riparian Planting	\$ 10,400	\$ 8,940	1,460	3,500
Yard Upgrade (part 50%)	\$ 30,000	\$ 110,000	(80,000)	-
Relocate Concrete Feedpad	\$ -	\$ 52,986	(52,986)	-
New Races	\$ -	\$ 35,062	(35,062)	-
General Storage Facilities	\$ -	\$ -	-	8,000
Free-standing fireplace	\$ -	\$ -	-	8,500
In-shed Feed System	\$ -	\$ -	-	53,000
Total Service Level Increase	\$ 55,400	\$ 221,988	(166,588)	73,000
	\$ 97,400	\$ 280,042	(182,642)	73,000

Farm Debt

Farm debt is expected to increase by \$19,328 to a balance of \$1,987,861 as at 30 June 2021. This is based on new borrowings due to \$213,146 from capital expenditure on new improvements, and a loan repayment of \$193,818 due to the net profit from operations* less the \$50,000 rates contribution.

As draft year end results are showing an increase in debt, it is not recommended that any funds be put into the newly created Farm Reserve (as any reserve contribution would effectively be debt funded, which is not provided for in Council's Revenue and Financing Policy).

In 2021/22, it is forecast that the loan balance will increase by \$12,042 with an anticipated loan repayment of \$60,958 and additional loan funded capital expenditure of \$73,000. Therefore a reserve contribution is not anticipated for 2021/22 either.

The actual Interest Rate will be calculated on the Council's weighted average cost of debt – as at December 2020 this was 2.18%, and expected to be 2.18% in December 2021.

Loan Interest		
	2020/21	2021/22
Opening Balance	\$ 1,968,533	\$ 1,996,703
New Borrowings	\$ 221,988	\$ 73,000
Less Loan Repayment*	\$ 193,818	\$ 60,958
Closing Balance	\$ 1,996,703	\$ 2,008,745
Interest Rate**	2.18%	2.18%
Effective Loan Balance	\$ 1,982,618	\$ 2,002,724
Interest	\$ 43,221	\$ 43,659

*Loan repayment is determined by anticipated net profit, less \$50,000 rates contribution.

**Interest rate calculated at Council's weighted average borrowing rate as at December.

Environmental Management Report

Environmental Plan

The Farm engaged the services of Tiaki Sustainable Dairying to develop a Farm Environmental Plan in October 2019, completed February 2020. Out of this report came seven actions to be addressed, which are shown below:

Current Actions:

Decommission silage pit	Complete
Install water meter	Complete
Complete drop pond test	Incomplete (currently not a TRC requirement)
Cropping management plan	On-going
Stormwater diversion signal feature	Complete
Complete TRC riparian planting	In final stages

Future Actions:

Decommission effluent ponds	Incomplete – in the process of filling in the pond
------------------------------------	--

An updated Environmental Plan was completed in February 2021 and results are updated below.

Complete Pond Drop Test

Long term, the farm will be required to complete a pond drop test to ensure the effluent pond is sealed and not leaking. The target date set for this is 1 January 2023.

Cropping Management Plan

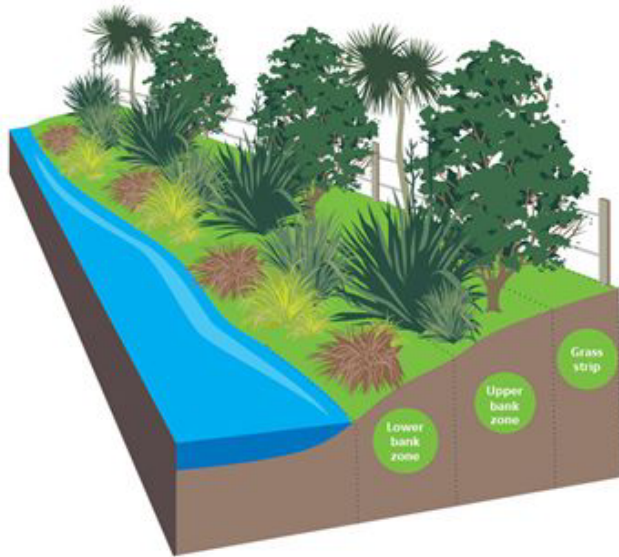
The report recommends that the farm:

- Identify and use paddocks with low risk of pugging, flat contour and are further away from waterways as possible.
- Avoid areas that have critical source areas (swales/gullies) etc. If not possible try to leave these areas uncultivated / un-grazed to reduce /filter any runoff of sediment or nutrient.
- Grazed paddocks strategically from top to bottom.
- Retain a grass buffer zone along waterways where riparian margins are not present.
- Graze towards the waterways and use portable troughs if needed.

Riparian Planting

Planting in riparian areas benefits the environment as plants function like a sieve, helping to filter out sediment and nutrients before they enter waterways. Stabilising riparian plants help prevent land erosion and increase the habitat for native wildlife.

Fencing waterways protects freshwater from nutrients, effluent and sediment by excluding stock and creating a buffer between rivers and streams and the land. Fencing will help to maintain and improve water quality and create a habitat for birds and freshwater species.



In 2020/21, the Council spent \$8,940 on riparian planting and fencing off of streams. As at the end of the 2021 season **100% of the riparian planting** is expected to have been completed (previous year, 95%), and same for fencing off of waterways.

Effluent System

Effluent is disposed by irrigation to pasture on the main block farm. The effluent system can hold up to 30 days of effluent storage. The average depth of application is <12mm. The 2021 Environmental Plan found the Effluent system meets code of practice, spreading equipment is well maintained, and effluent is applied correctly.

However, once the consent expires in November 2022, the Council needs to look to cap the outlet and apply the effluent back to land or cease the use of the dairy shed yard. If the effluent pond is to be decommissioned it will need to be completely pumped out and scraped in order to remove effluent from the base of the pond. Once the ponds have been cleaned out they can be filled in.

Nitrogen Fertiliser Inputs

The nitrogen risk scorecard for the 2018/19 season identified nitrogen fertiliser as the main risk on farm and categorised it as a medium risk due to 144kgN/ha being applied and applications occurring in the months of Jul-Aug and at rates above 25kgN/ha. All other nitrogen risks on farm were either in the very low/low category. DairyNZ analysis shows that for every additional 100 kg N/ha applied via fertiliser, total greenhouse gas emissions increase by 2.6 t/ha.

Nitrogen fertiliser policy is to apply around 150kgN/ha/year. The Environmental Plan shows that a typical farm in the area applied approximately 112kgN/ha.

This is generally applied in the form of urea & DAP (Di-ammonium Phosphate). Rates vary throughout the season but are typically between 25-35kgN/ha at approximately 4-5 applications throughout the season. Soil temperature and weather forecast are checked before fertiliser is applied and buffer zones around waterways are maintained. External contractors 'Corletts' are used to apply fertiliser and use Hawkeye (proof of placement) which are provided once fertiliser is applied.

- A nutrient budget is used to guide fertiliser use.

- Fertiliser is only applied if there is no significant rainfall forecast.
- A buffer distance is maintained around waterways when applying fertiliser.
- Spreading equipment is regularly calibrated or a Spreadmark certified spreader is used.
- No fertiliser is stored on farm.

The Government's Essential Freshwater Package

The objective of the reforms are to prevent further degradation of waterways and improve water quality within five years, and to reverse past damage and bring waterways and eco systems to a healthy state within a generation.

Future Outlook for Dairy Farming and the Council Farm

Summary

Fonterra are proposing a final payout for 2020/21 of \$7.55 (midpoint) per kg/MS. The forecast for 2021/22 is even higher at between \$7.25 and \$8.75, with a midpoint of \$8.00 per kg/MS. This is great news for the dairy farming industry, and if Council farm production can be maintained at current expenditure levels, it will result in another profitable season next year.

However, there are some concerns about the ability to maintain production levels in the future, with the changes to Fonterra's pricing structure incentivising operations that are likely to result in lower production, e.g. limitation on off-farm feed.

Capital Restructuring Proposals

Fonterra has begun consultation on options to change the capital structure (ownership model) of Fonterra. It is proposed that shareholders will vote on a new structure at the November AGM, where 75% majority approval will be required. A recommendation will be brought to the September Farm and Aerodrome Committee meeting covering the options, for the Committee to decide on how to vote.

Fonterra's preferred option includes a buy-back of shares in the Fonterra Shareholders Fund (listed shares able to be freely bought and sold on the NZX and ASX by investors), or capping the number of shares in the fund, eventually moving back towards a farmer-only share market model.

The options are based on an assumption that milk supply will decline by 100 million milk solids to 250 million milk solids within the next ten years, which would eventually see farmers lose control of Fonterra as the amount of dry shares increases in proportion to wet shares (backed by milk supply). Fonterra has considered that this model is unsustainable in the future. The decline in milk supply assumption is based on trends from previous years and future forecasts, largely as a result of Fonterra's pricing structure shifting towards rewarding quality of milk supplied, rather than just quantity. However, there are also other factors that are likely to be causing a decline, such as the increased requirements imposed by government legislation in relation to environmental improvements and animal welfare, and the associated costs.

Share-milkers contract

Council currently contracts Fiona and Aaron Riddick of Fernharp Trusts Partnership to share-milk on the Council farm, effectively controlling all operational aspects of the dairy farm. Council's primary responsibility under the contract is to maintain the farm infrastructure, including the pasture and to contribute towards food costs.

The agreement commenced on 1 June 2017, and is in effect until 31 May 2022. Therefore, the 2021/22 season is the last season covered under this contract.

A workshop is proposed to be held in September 2021 to discuss the contract going forward and the process to either renew the existing contract or seek expressions of interest, as it is strongly recommended that a new contract is in place with the successful candidate by December 2021.

Future Debt Levels

Farm debt increased in 2020/21 to \$1,987,861. At the current council interest rate, this results in annual interest cost of roughly \$43,000. Based on budgeted figures for 2021/22, the debt is likely to increase further (although budgeted revenue has been set conservatively, in comparison to the recent forecast milk price for 2021/22).

In conjunction, interest rates are expected to increase over the coming years, so it is recommended that the Committee keeps this in mind when approving new capital works improvements that will be loan funded as per Council policy.

In order to be effective in its governance responsibilities, the Farm and Aerodrome Committee must have a good understanding and knowledge of:

- 1) Why the Council owns and operates a Dairy Farm (covered in section under heading “Local Government Purpose” in this report).
- 2) Whether the purpose is being fulfilled effectively, and to what extent.
- 3) What the risks are for the Council and whether these risks can be effectively mitigated.
- 4) The state of current infrastructure, asset condition, and future capital replacement requirements.

The analysis prepared below gives a summary of the strengths, weaknesses, opportunities and threats in relation to the farm business.

SWOT Analysis of the Council Dairy Farm Business

<p>STRENGTHS</p> <ul style="list-style-type: none"> - Contributes to the economic well-being of our district. - Consistent surpluses. - The farm provides a buffer zone for Aerodrome noise and accessibility. - Relationship between share-milkers and Aerodrome operators is conducive to the continued operation of the farm and Aerodrome side by side. 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> - High risk exposure to weather conditions leading to uncertainty in production/profits. - Fluctuations in milk price leading to uncertainty in production/profits. - Maintenance, Capital Replacement costs, and council staff involvement make the farm more resource intensive than an alternative cash investment. - Further capital investment in the farm will be required, particularly in relation to new advanced technology and replacement of plant and equipment. This will require an increase in debt. - Vulnerability to increasingly stricter compliance requirements relating to staffing, health and safety, nutrient management.
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> - Innovative solutions and investment in technology to enable more productive use of the farm. - Potential opportunities for different land uses to provide a higher return on investment (dependent on soil and weather vulnerability of crops). - Land is a finite resource, where the value <u>generally</u> increases. Retention of land allows for potential high-value investment opportunities in the future. - Potential to gain revenue certainty by fixing up to 50% of milk price for next season. 	<p>THREATS</p> <ul style="list-style-type: none"> - Change in Govt legislation could affect Council liability and have an impact on compliance costs. Eg. Environmental management may become more expensive with greenhouse gas emissions and water quality being key govt concerns. - Change in Fonterra’s regulations eg PKE usage could affect production/profits. - Animal Welfare risks high in the dairy sector (not direct responsibility but can affect Council reputation). - Storm damage could create unplanned, unbudgeted costs. - Major Volcano eruption would likely destroy use of the land for farming in the medium to long-term. - Exposure to biosecurity risks eg Mycoplasma Bovis.

Table 5: Analysis of Farm Business’ Strengths, Weaknesses, Opportunities and Threats

Conclusion

Ownership of the farm at Flint Road is supported by elected members, and is seen as an investment into the economic wellbeing of the district, and a demonstration of Council's investment in, and commitment, to the rural industry.

The current share-milkers have met production targets set for the year and their contribution of economic benefit to the Stratford District ratepayers is to be acknowledged.

Council supports the Aerodrome and being effective in its role in providing a buffer zone to protect the continued operations of the Stratford Aerodrome.

The budgeted operating revenue and expenditure and net contribution to rates and debt repayments are made transparent to elected members to enable informed decision making with regards to the future of the farm.

INFORMATION REPORT



TO: Farm and Aerodrome Committee

D21/18644

FROM: Acting Property Officer

DATE: 15 June 2021

SUBJECT: RISK REVIEW

10

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

1. **PURPOSE OF REPORT**

This report is part of this 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 March 2021.

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 also 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**

No new risks have been added to the Risk Register since the last Farm and Aerodrome Committee meeting.

5.2 **Changes to the Top Seven Risks**

There has been no new risks added to the register since the last Committee meeting. The *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 in December 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



Melanie McBain
ACTING PROPERTY OFFICER - ASSETS



[Endorsed by]
Victoria Araba
DIRECTOR – ASSETS



[Approved by]
Sven Hanne
CHIEF EXECUTIVE

DATE 8 June 2021

APPENDIX 1

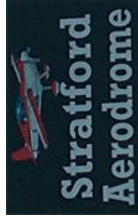
Farm Risk Register

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 effective 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 7666099

HAZARD RISK REGISTER

Source of Risk / Hazard	Hazard	Risk Rating (Uncontrolled risk rating)		Hierarchy of Control	Controls	Residual Risk	Persons responsible	Date to be Completed	Review Date and Initial
		Consequence	Likelihood						
Tourists and, or members of the public accessing the airfield	Public vs aircraft, aircraft rotor / propeller or service vehicle	Critical	Possible	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	Ongoing monitoring	N/A - ongoing management
Access into and out of the aerodrome via the driveway	Vehicle collision or vehicle vs stock	Minor	Rare	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	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)	HIGH	Operations & Members using the Aerodrome Stratford District Council	Ongoing 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	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) The perimeter of the airfield is fenced	LOW	Operations & Members using the Aerodrome	Ongoing monitoring	N/A - ongoing management
Stock on the runway and, or airfield	Damage, injury, distraction	Catastrophic	Probable	M	Stock on the airfield to be reported to the Club House who will facilitate clearing the airfield	HIGH	Operations & Members using the Aerodrome	As required	N/A - ongoing management

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 of sight to minimise accidental collision Fire extinguisher located at the Bowser for use as required	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	Fuel Safety Data Sheet (SDS) located in the Notice Board (Marked in Box, labelled MSDS) 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 Misiistry 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

D21/18357

FROM: Acting Property Officer

DATE: 15 June 2021

SUBJECT: FARM AND AERODROME BUSINESS AND FINANCIAL REPORT

RECOMMENDATION

THAT the report be received.

Recommended Reason

This report provides a 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

11

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 attached in **Appendix 1** highlights the milk production from the current season at the farm and also reports on the key activities at the Aerodrome.
- 2.3 The Financial Report for the three months from March to May of the farming season in **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 150,198 Kg Milksolids (Kg/Ms), as shown in the Monthly Production graph below (see **Figure 1**). This is slightly lower than the previous year, mainly due to weather (winter coming early) and lame cows. There were between 30-50 lame cows only milking once a day for 8 weeks.

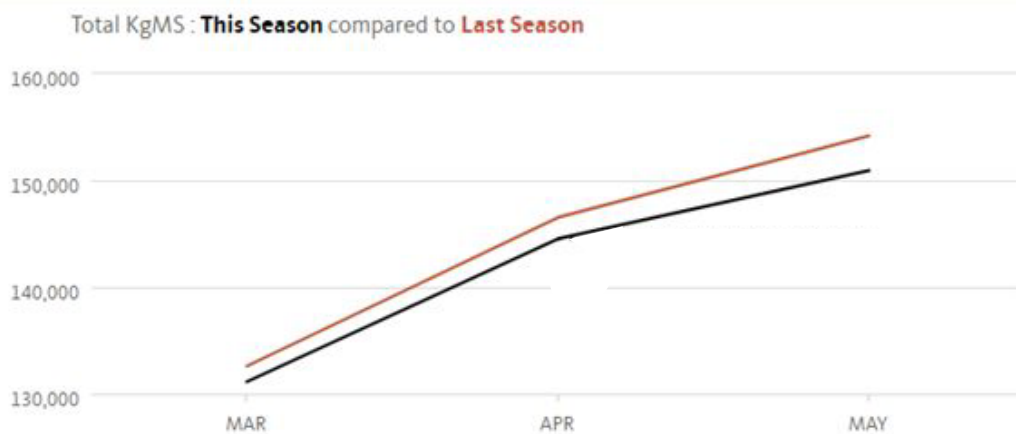


Figure 1: Total Kg Milk Solids Production from March to May

4.1.2 Plants for riparian planting have been collected from Taranaki Regional Council (TRC). As per TRC’s riparian plan, the planting of all 1970 plants will be completed by TRC contractors free of charge - attached see **Figure 2**

- 4.1.3 The Farm Dairy Records have been submitted and received by Fonterra. Fonterra will use this information to provide an Environmental Report, which includes a Nitrogen Risk Scorecard and Greenhouse Gas Emissions Assessment.
- 4.1.4 Grass growth rates during this reporting quarter have been only slightly below budget due to weather and lame cows. Due to the amount of lame cows, there were short rounds in the paddocks, meaning the Sharemilker's could not cut as much silage as anticipated. Therefore, it is likely that supplements (silage / hay) will be purchased before spring.
- 4.1.5 The Sharemilker's quarterly meeting was held on Thursday 3rd June 2021. This included a walk around prior to the meeting to look at recent concerns the Sharemilker's have. This included a recent culvert slip and a shortage of metal for the races.
- 4.1.6 Following the completion of the Farm Race the Sharemilker's have nearly completed taking edges off along all races, which helps control water overflow.
- 4.1.7 A contract has been let to Dairy Master Milking Systems for two projects:
- **Yard Extension / Loading Ramp**
 - **In-Shed Feed System**
- Work is due to commence to clear the yard of all redundant pipework and Dairy Master will also be ordering the feed bins, silo and new pipework. Excavation work to break out the current yard concrete and preparations up for the new yard is due to commence immediately after Queen's Birthday weekend.

Figure 2:





Riparian Plants

4.2 Aerodrome Information

- 4.2.1 Council officers are still in discussion with the Aero Club regarding the request for a new hangar. The location has been agreed upon and to progress the Aero Club is requested to provide plans and specifications for the site.
- 4.2.2 The Council has procured a higher level of service from AIMM with regards to landing records from the Aerodrome. As a result council officers are now receiving a more accurate reading from AIMM.
- 4.2.3 From August 2021 the Aerodrome users will be charged Landing Fees (as per Council Fees and Charges 2021/22), with club members being notified of this.

Figure 4: Aircraft Movements by Month

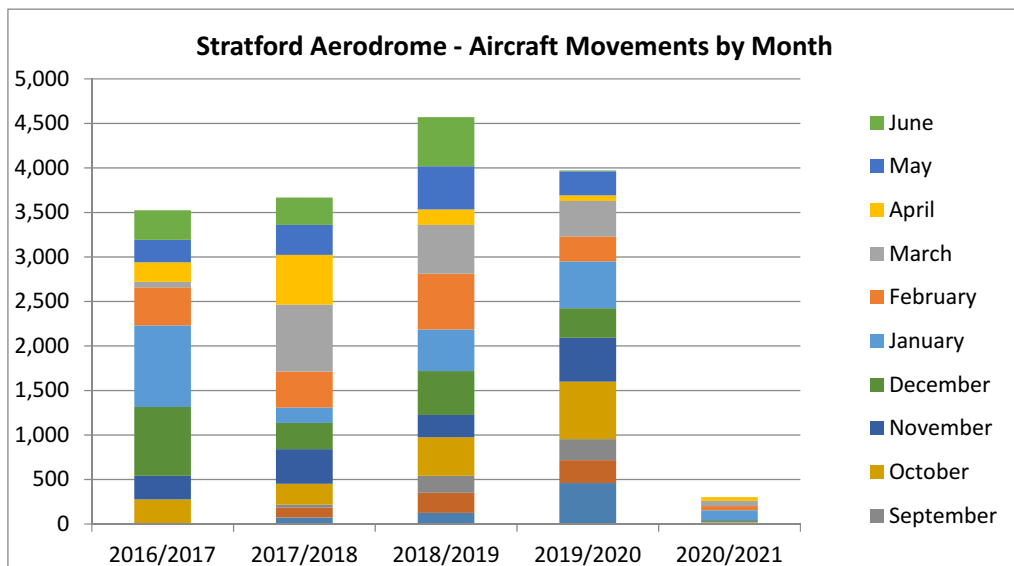
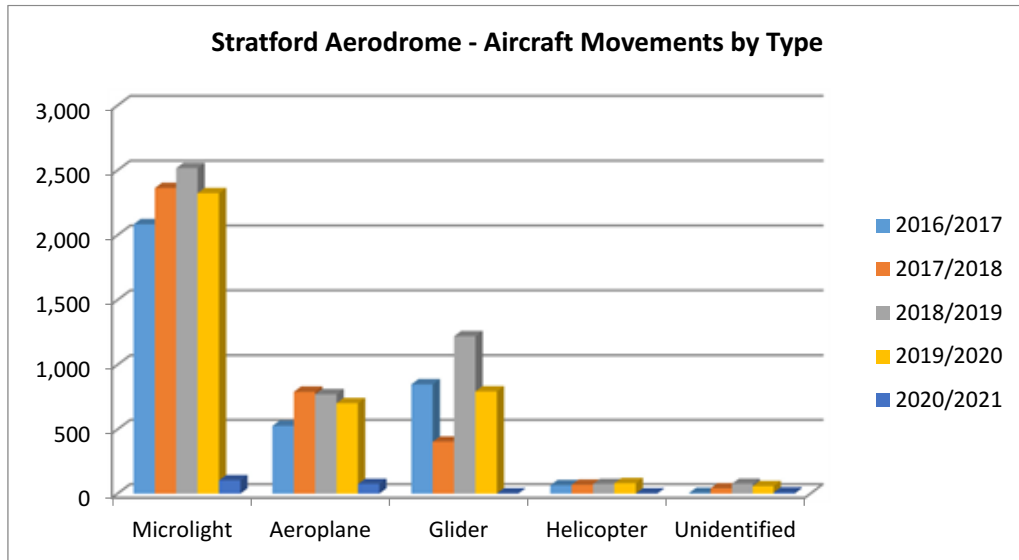


Figure 5 - Aircraft Movements by Type



4.2.1 The aircraft movements *by month* is in the graph below as **Figure 4** and aircraft movements *by type* in **Figure 5**.

4.2.2 Figure 4 shows low 2020/21 landing figures which is partly due to COVID-19 and a more accurate landing record being received from AIMM.

5 FINANCIAL REPORT

5.1 The Net Profit for the YTD is above budget at \$267,486, with further expenditure to come through in June. Revenue is above budget, and expenditure is below budget. Refer to appendix 2 for further detail for May 2021 YTD results.

5.2 For the year to date, a total of \$131,200 has been spent on capital improvements, with an anticipated total of \$271,200 to be spent by year end. Of this year end amount, \$213,146 relates to capital investment in the farm infrastructure and is therefore to be loan funded in line with Council’s revenue and financing policy. \$58,054 of the anticipated total relates to replacing existing assets and will be funded from council’s depreciation reserves.

5.3 It is expected that the capital expenditure budget for the year of \$97,400 will be exceeded by \$173,800. Of the overspend amount, \$80,000 relates to a significant yard upgrade which was approved by Council, and \$52,986 relates to a new concrete feed pad, and \$35,062 to relocating races – both of which were approved by Council and highlighted in **Appendix 3**

6. STRATEGIC ALIGNMENT

6.1 Direction

As this is the Committee’s fourth 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

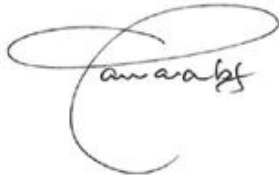
Appendix 2 – February 2021 YTD Financial Report – Farm

Appendix 3 – Capital expenditure report

Appendix 4 – Dry Matter intake of fresh milkers (July 2020 – May 2021)



Melanie McBain
ACTING PROPERTY OFFICER – ASSETS



[Endorsed by]
Victoria Araba
DIRECTOR – ASSETS



[Approved by]
Sven Hanne
CHIEF EXECUTIVE

DATE 8 June 2021

APPENDIX 1

Farm Work Programme

2021	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												
Mating												
Club Day												

APPENDIX 2

MAY 2021 YTD FINANCIAL REPORT - FARM							
	PREVIOUS	ACTUAL	BUDGET		BUDGET	BUDGET	
	YTD May 2020	YTD May 2021	YTD May 2021	Variance	2020/21	2021/22	
3800 - Farm Investment							
1700 - Income							
Milk Production (KgMs)	154,178	150,918	150,000	918	150,000	150,000	
Forecast Milk Payout	7.14	7.55	6.50	1.05	6.50	6.25	
Council's Share of Milk Revenue*	550,414	569,714	487,500	82,214	487,500	468,750	
Dividend	-	9,369	18,187	8,817	19,840	19,840	
Total Income	550,414	579,083	505,687	73,396	507,340	488,590	
1701 - Operating Costs							
Fencing	-	419	2,750	2,331	3,000	3,000	
R&M Major Works	-	4,969	7,792	2,823	8,500	18,200	
Repairs & Maintenance	20,502	31,801	28,667	-3,135	31,273	30,000	
Consultants	259	695	-	-695	0	500	
Off-Farm Grazing	29,491	36,831	36,667	-164	40,000	40,000	
Pasture Management	7,995	8,463	4,778	-3,685	5,212	5,212	
Water Supply - Maintenance		1,073	-	-1,073	0	0	
Fertiliser	52,765	39,828	39,178	-650	42,740	70,000	
Urea	-	5,036	4,583	-452	5,000	0	
Energy Costs	-	-	-	0	0	0	
Insurance	5,839	6,123	6,000	-123	6,000	6,429	
Lease	5,958	5,958	5,958	-0	6,500	6,500	
Licences & Permits	3,849	685	669	-16	730	730	
Rates (Services Only)	508	1,021	492	-529	537	650	
Subscriptions & Publications	2,199	4,101	955	-3,146	1,042	2,500	
Sustenance	42,726	38,780	50,417	11,637	55,000	55,000	
Weed Control	1,332	7,436	4,583	-2,853	5,000	4,000	
Miscellaneous	389	-	4,583	4,583	5,000	0	
	173,811	193,220	198,073	4,853	215,534	242,721	
1703 - Indirect Costs							
Interest	58,000	45,000	49,501	4,501	54,001	45,321	
Depreciation	35,721	30,563	60,225	29,662	65,700	33,054	
Corporate Services	10,114	16,740	18,007	1,267	19,644	21,294	
Assets Director	4,389	3,743	3,675	-68	4,009	5,809	
Property Asset Manager	14,018	22,331	31,880	9,549	34,778	29,433	
	122,242	118,377	163,288	44,910	178,132	134,911	
	254,362	267,486	144,326	123,160	113,674	110,958	

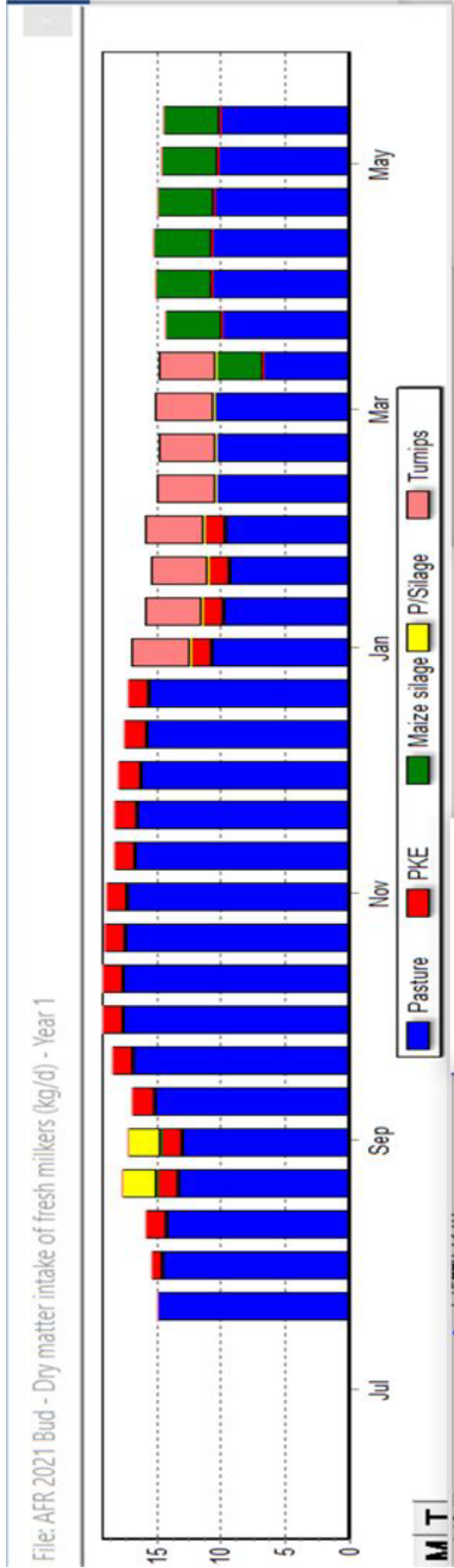
APPENDIX 3

CAPITAL EXPENDITURE REPORT FOR FARM - AS AT 31 MAY 2021

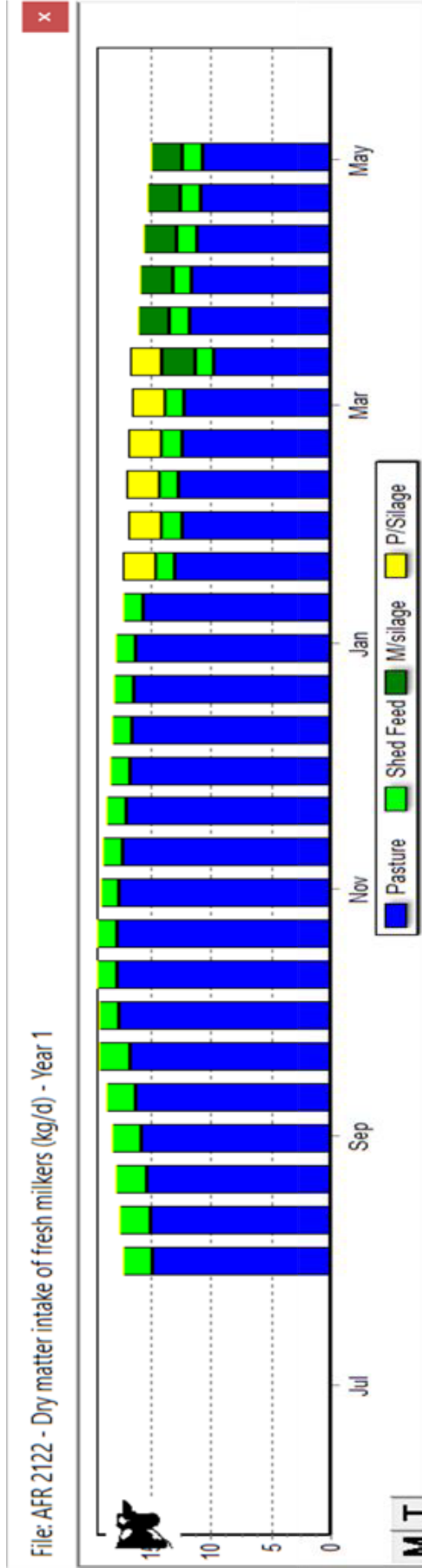
Council Activity	Project Description	2020/21 Annual Plan Budget (a)	Funds Carried Forward (b)	Total Funds Available (a + b)	2020/21 Actual Expenditure YTD	Projected year end forecast	2020/21 Projected under/(over) spend	Expected Project Completion Date	Status of each Project
Farm	Calif bay	15,000	0	15,000	6,158	15,000	0	By 30 June 2021	Calif bay completed. Refurbishment to other calf bays will also be required.
Farm	Yard upgrade - funded 50% by loan, 50% from reserves	60,000	0	60,000	0	140,000	-80,000	By 30 June 2021	Physical works to commence in June 2021.
Farm	Relocate concrete feed pad and lime chip turning area	0	0	0	52,986	52,986	-52,986	complete	
Farm	Race relocation	0	0	0	35,062	35,062	-35,062	complete	
Farm	Landscaping / riparian planting	10,400	0	10,400	8,940	8,940	1,460	complete	Some remaining fencing work will be completed throughout the year.
		85,400	0	85,400	103,146	251,988	-166,588		
Farm	Effluent pump replacement	0	0	0	15,710	15,710	-15,710	complete	The existing pump failed so a replacement was required immediately. The cost of this has been covered by insurance, less the excess of \$5k.
Farm	House - fireplace and floor coverings	12,000	0	12,000	12,344	12,344	-344	complete	One fireplace has been installed in the sharemilkers house, and a fireplace was installed in the workers cottage.
		12,000	0	12,000	28,054	28,054	-16,054		
				97,400	131,200	280,042	-182,642		

APPENDIX 4

Without utilising the In-Shed feed system



Utilising the In-Shed feed system



QUARTERLY REPORT



D21/18380

TO: Farm and Aerodrome Committee
FROM: Acting Property Officer
DATE: 15 June 2021
SUBJECT: HEALTH AND SAFETY UPDATE

RECOMMENDATION

THAT the report be received.

Moved/Seconded

12

1 PURPOSE OF REPORT

The purpose of this report is to provide to this committee the Health and Safety update for the period between December 2020 and May 2021.

2 HIGHLIGHTS

- 2.1 There were no recorded incidents 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 have been no incidents and no near misses on the Farm to report for this quarter and is 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 **General**

Council's Health and Safety Officer has requested that he and the Sharemilker arrange to meet and discuss recent activities and reviews of Farm Health & Safety processes.

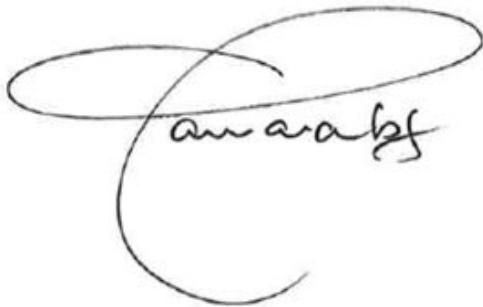
4.2 **Incident/Near-Misses**

Incident: 0 Incidents to report.

Near-Misses: 0 Near-Misses to report.



Melanie McBain
ACTING PROPERTY OFFICER - ASSETS



[Endorsed by]
Victoria Araba
DIRECTOR - ASSETS



[Approved By]:
S Hanne
CHIEF EXECUTIVE

DATE: 8 June 2021