



Our reference
F19/13/03-D21/26182

15 September 2022

Farm and Aerodrome Committee and Audit and Risk Committee

Notice is hereby given that the meetings of the Farm and Aerodrome Committee and the Audit and Risk Committee will be held in the **Council Chambers, Stratford District Council, 63 Miranda Street, Stratford** on **Tuesday 20 September 2022 beginning at 12noon.**

At this stage the meetings will be held in the Council Chambers, however should it be required due to the Covid Protection Framework, the meeting may be moved to an alternative venue or held virtually.

Timetable for 20 September 2022 as follows:

12 noon	Farm and Aerodrome Committee
1.45pm	Afternoon Tea for Councillors
2.00pm	Audit and Risk Committee
4.00pm (approx.)	Workshop for Councillors - Committee self review

Yours faithfully

Sven Hanne
Chief Executive

2022 - Agenda - Farm and Aerodrome - September

20 September 2022 12:00 PM



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AGENDA

Farm and Aerodrome Committee



F19/13/05 – D22//34691

Date: Tuesday 20 September 2022 at 12noon

Venue: Council Chambers, 63 Miranda Street, Stratford

The meeting location may change, or will be held via Audio Visual Link, if required due to current COVID-19 Alert Levels or Government Guidelines.

1. [Welcome](#)

1.1 Opening Karakia
D21/40748 Page 6

1.2 Health and Safety Message
D21/26210 Page 7

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 – 21 June 2022
D22/21720 Page 9

Recommendation

THAT the minutes of the Farm and Aerodrome Committee Meeting held on Tuesday 21 June 2022 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 Report 2022
D22/34842 Page 17

Recommendations

1. THAT the report and draft Farm Business Report 2022 be received.
2. THAT the Committee makes a decision on the allocation of the remaining profit made in the 2021/22 financial year, after the rates mitigation portion.

Recommended Reason

To uphold the Committee's responsibilities in relation to the Council farm.

/
Moved/Seconded

10. Information Report – Risk Review
D22/33938 Page 40

Recommendation

THAT the report be received.

Recommended Reason

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

/
Moved/Seconded

11. Quarterly Report – Farm and Aerodrome Financial Report
D22/32383 Page 47

Recommendation

THAT the report be received.

Recommended Reason

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

/
Moved/Seconded

12. Quarterly Report – Health and Safety
D22/32382 Page 61

Recommendation

THAT the report be received.

/
Moved/Seconded

13. Questions

14. Closing Karakia
D21/40748 Page 64



Our reference
F19/13/03-D21/40748

Karakia

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

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



Our reference
F19/13/03-D22/17082

Health and Safety Message

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

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

Under the current Pandemic setting visitor access beyond the customer service centre is restricted. Mask wearing is mandatory in all public areas as well as any areas where social distancing cannot be consistently achieved, such as corridors, staff rooms and bathrooms.

We recommend mask wearing for the duration of meetings unless social distancing of a minimum of 1 metre can be consistently achieved.

5. Attendance schedule for 2021 Farm and Aerodrome Committee meetings.

Date	15/03/22	21/06/22	20/09/22	06/12/22
Meeting	FA	FA	FA	FA
Neil Volzke	✓	✓		
Grant Boyde	✓	✓		
Rick Coplestone				
Peter Dalziel	AV	AV		
Jono Erwood				
Amanda Harris				
Alan Jamieson	AV			
Vaughan Jones	AV			
Min McKay				
John Sandford		✓		
Gloria Webby				

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

MINUTES

Farm and Aerodrome Committee



F19/13/05– D22/21720

Date: Tuesday 21 June 2022 at 12noon
Venue: Council Chambers, 63 Miranda Street, Stratford

Present

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

Via audio visual link: Councillor P S Dalziel

In attendance

Councillor W J Sandford

The Acting Chief Executive and Director – Community Services – Ms K Whareaitu, the Director – Assets – Mrs V Araba, the Director – Environmental Services – Mr B Sutherland, the Committee Advisor and Executive Assistant – Mrs E Bishop, Mrs F Riddick (sharemilker), Mr J Buckley (consultant) and Mr P Radich (Fonterra).

1. Welcome

The Chairman welcomed the Acting Chief Executive, Councillors, staff, and the farm representatives.

1.1 Opening Karakia D21/40748 Page 5

The opening karakia was read.

1.2 Health and Safety Message D21/26210 Page 6

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

2. Apologies

An apology was noted from the Chief Executive – Mr S Hanne.

Recommendation

THAT the apologies be received.

BOYDE/DALZIEL
Carried
F&A/22/10

3. Announcements

The Chairman reminded Councillors a workshop was being held following the conclusion of this meeting with Paul Radich, Fonterra.

4. Declarations of Members Interest

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

5. Attendance Schedule

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

6. Confirmation of Minutes

6.1 Farm and Aerodrome Committee Meeting – 15 March 2022
D22/9103 (PE) D22/11472 (Open) Page 9

Recommendation

THAT the minutes of the Farm and Aerodrome Committee Meeting held on Tuesday 15 March 2022 be confirmed as a true and accurate record.

VOLZKE/JONES
Carried
F&A/22/11

7. Matters Outstanding
D20/11504 Page 15

Recommendation

THAT the matters outstanding be received.

BOYDE/JONES
Carried
F&A/22/12

8. Programme of Works
D20/28552 Page 16

Recommendation

THAT the Programme of Works be received.

DALZIEL/JONES
Carried
F&A/22/13

9. [Decision Report – A1 Jet Fuel Facility](#)
D22/20341 Page 17

<p>Recommendations</p> <p>1. <u>THAT</u> the report be received.</p> <p style="text-align: right;">JONES/BOYDE <u>Carried</u> <u>F&A/22/14</u></p> <p>2. <u>THAT</u> the Committee consents to RD Petroleum establishing a Jet A1 fuel dispensing facility at the Stratford Aerodrome and approve the proposed location.</p> <p style="text-align: right;">BOYDE/VOLZKE <u>Carried</u> <u>F&A/22/15</u></p> <p>Recommended Reason The provision of an A1 Jet fuelling facility at the aerodrome would be beneficial to the future of the aerodrome and it is appropriate for reasons outlined in the report to the Committee.</p>

The Property Officer noted the following points:

- RD Petroleum have approached council with a proposal for an additional fuel tank.
- They have consulted with the users and there is support for their proposal.
- It is anticipated that having the second type of fuel will help attract future development which will see more hangar requirements and more users.

Questions/Points of clarification:

- It was clarified that this would be RD Petroleum's third North Island site.
- It was clarified that the red square on the image was where the tank would be located and it would be pumped to the existing pump station for use.

10. [Information Report – Risk Review](#)
D22/19650 Page 24

<p>Recommendation</p> <p><u>THAT</u> the report be received.</p> <p style="text-align: right;">DALZIEL/JONES <u>Carried</u> <u>F&A/22/16</u></p> <p>Recommended Reason To update the Farm and Aerodrome Committee of changes to both the Farm and Aerodrome Risk Registers and advise the Committee of any incidents in relation to the identified risks.</p>

The Property Officer noted that the only change to the Risk Register since the last meeting was the amended raw risk score for COVID-19 from medium to high.

Questions/Points of clarification:

- It was noted that there wasn't a requirement for a new risk relating to leaks from the fuel tanks as the concrete pad installed for the additional tank would have a lip to contain leakages. This has been approved by the Taranaki Regional Council.

11. Quarterly Report – Farm and Aerodrome Business and Financial Report
D22/19996 Page 31

Recommendation

THAT the report be received.

DALZIEL/BOYDE
Carried
F&A/22/10

Recommended Reason

This report provides the first 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 that the total milk production from the current season has come in above the targeted amount at 154,394 kgs ms. This makes this the best season during the term of the 50/50 sharemilking contract.

Questions/Points of clarification:

- The Chairman thanked the sharemilkers for a really great year. He noted the new sharemilking agreement had been signed for another five years which indicates the confidence both parties have in each other.
- It was clarified that the whole asset management plan is being reviewed, the Director – Assets noted that once a programme has been finalised it would be brought to this committee. The Chairman noted his concern regarding the use of Zone C and Animal Safety for the farm stock. The District Mayor noted that when the strategic plan was commissioned in 2011 it was completed by a specialist aviation consultant and its adoption was not supported by all councillors. There was a lot of support for it, but also a lot of opposition and concerns including the hangars being close to existing runways, safety issues with the site having no control tower etc. He urged officers to put a more personalised view on the strategic plan rather than a commercialised plan and ensure it will work for Stratford. He also noted that there had been a clear instruction for the plan not to impede on existing farm operations, however with the additional property purchased to increase the farm size there would be potential for hangars to use farmland. The plan had made provision for a high level of development and he noted it was important to remember there were only one or two hangars every ten years. Councillor Dalziel reiterated the District Mayor's comments and noted what Stratford wants for the operation needs to be considered.

Mr Radich joined the meeting at 12.20pm

- Councillor Jones noted there was a lot of focus on the milk production and agreed it was a great result in a tough year but noted there had been two thirds more spent in supplementary feed and in a low payout year that extra feed may not equal out. Mr Buckley noted that through modelling the farm was 1.5 tonnes of pasture down on what has traditionally been used and with 200 tonne of feed missing the difference in milk solids may have been around 25,000 kgs, about 200 kgs of dry matter per hectare less and 0.3 of a condition score per cow which would the sharemilkers would be trying to rectify now. He noted another challenge had been the heifers being brought home for an extra month which are still eating 12kgs a day each.
- Mr Buckley noted that the availability of feed may be an issue going forward with the export of grain out of Ukraine being stopped.
- The Chairman noted that the cows were in excellent condition which had flowed through to their production. Mr Buckley noted the key was to go into winter with the right amount of feed and condition, the impacts of poor condition going into winter could be felt by the farm for a further 18 months in as cutting feed out can impact mating. He noted feed contracts would be reviewed regularly and only taken for short periods.

The Director – Corporate Services noted the following points regarding the financials and overheads sections in this report:

- There still one month of expenditure to come through but the revenue won't change from what was presented. There is another months worth of grazing, feed and overheads.
- It is looking like a profit of just under \$300,000 for this year.
- The budget for next year is in the Annual Plan with a milk price of \$6.25, 12% has been set at an average of \$9.80 per kg/ms. Mrs Radich noted that this committee will discuss and decide on the use of the profit from this year remaining after the \$50,000 is allocated for rate mitigation. The remaining could be used on debt repayment or put into the reserve.
- Appendix 5 was included as a result of a question of the overheads for the farm activity and whether the farm could be better off if it did not have these 'head office' allocations. The alternative option presented would have the farm completely separate from council similar to the Percy Thomson Trust as a Council Controlled Organisation which would incur a 28% tax rate if the intention was to make profit as well as all the administration expenses which would be required under local government legislation.

Questions/Points of clarification:

- The District Mayor noted that it was really pleasing to note that even though there had been new debt incurred council had still managed to pay back more than that so the net debt has gone down. He also suggested the Stratford Park may have land available for grazing.
- It was noted that it was beneficial to fix the milk prices in terms of having the ability to do that with the sharemilkers, but that in the past the outcome has not been beneficial with the milk price continuing to rise. This season it had been fixed at \$8.35 p/kg ms but this will be well under the final milk price, however it was noted the budget had been \$6.25 kg ms.
- It was noted that the interest rate for debt was the council's weighted average. The next fixed rate was not maturing until next April.
- Councillor Dalziel noted the Appendix 5 gave a good view of the overheads and the actual costs. He questioned if anything could be streamlined but felt it would be immaterial overall. The Director – Corporate Services noted that the overheads needed to be viewed in terms of the wider council and so reduction in costs would impact another activity.
- Mrs Radich also noted that a Council Controlled Organisation would not be able to access the LGFA interest rates.

12. Quarterly Report – Health and Safety

D22/20022 Page 44

Recommendation

THAT the report be received.

BOYDE/JONES
Carried
F&A/22/10

The Property Officer noted there were no incidents at the farm or aerodrome.

13. Questions

There were no questions.

14. Closing Karakia

D21/40748 Page 47

The closing karakia was read.

The meeting closed at 12.55pm

G W Boyde
Chairman

Confirmed this 20th day of September 2022.

N C Volzke
District Mayor

Farm and Aerodrome Committee Matters Outstanding Index

D20/11504

ITEM OF MATTER	MEETING RAISED	RESPONSIBILITY	CURRENT PROGRESS	EXPECTED RESPONSE

2022 - Agenda - Farm and Aerodrome - September - Programme of Works

FARM AND AERODROME COMMITTEE - PROGRAMME OF WORKS

Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Annual Strategic Review	Farm Environmental Report	Farm Business Plan/Report	Review Risk Register	Sharemilkers Update	Farm Environmental Report
Final Farm Business Report 2021	Draft Budget 2022/23	Draft Results 2021/22	Final Farm Business Report 2021		Draft Budget 2023/24
Sharemilkers Agreement					
Farm Operations - Monthly Report	Farm Operations - Monthly Report	Farm Operations - Monthly Report	Farm Operations - Monthly Report	Farm Operations - Monthly Report	Farm Operations - Monthly Report
Health and Safety Report	Health and Safety Report	Health and Safety Report	Health and Safety Report	Health and Safety Report	Health and Safety Report

DECISION REPORT



F19/13/04 – D22/34842

To: Farm and Aerodrome Committee
From: Director – Corporate Services
Date: 20 September 2022
Subject: Approve draft Farm Business Report 2022

Recommendations

1. THAT the report and draft Farm Business Report 2022 be received.
2. THAT the Committee makes a decision on the allocation of the remaining profit made in the 2021/22 financial year, after the rates mitigation portion.

Recommended Reason

To uphold the Committee's responsibilities in relation to the Council farm.

/
Moved/Seconded

1. Purpose of Report

To present the Committee with the unaudited year end results for the Council farm for 2021/22, a high-level update on operations, and the budget for 2022/23.

To provide the opportunity for the Committee to allocate the remaining profits to a loan repayment and/or the Farm Reserve.

2. Executive Summary

- 2.1 The Farm Business Report 2022 is an opportunity to present to the Farm and Aerodrome Committee a summary of the past year. It clarifies the objectives of the farm, the financial performance of the previous year and expected results for the current year. It gives elected members, the public, and other stakeholders, transparency of the farm performance, and opens the opportunity for better decision making.
- 2.2 The 2021/22 year has been a successful year in that the previous production record was broken – with a record 154,394 kgMS produced. The milk price received of \$9.29 was over the budgeted milk price of \$6.25, resulting in a strong profit for the year-end of \$290,731. However, capital expenditure was \$118,567 over budget for the year, with the majority relating to improvements (yard upgrade and in-shed feeding) rather than replacements.
- 2.3 Of this profit, \$50,689 was used as rates mitigation. The remaining \$240,041 is available to go towards repaying some debt and/or transferring to the farm reserve to be used in future years for additional rates mitigation or for other purposes as recommended by this Committee.
- 2.4 A final report will be presented at the December committee meeting presenting the final year-end results if there are any changes as a result of the Deloitte external audit.

3. Local Government Act 2002 – Section 10

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

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

4. Background

- 4.1 In 2020, the Farm and Aerodrome 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 to enable it to fulfil its responsibilities under the Farm and Aerodrome Committee Terms of Reference.
- 4.2 The financial results for the 2021/22 year are above expected performance, largely due to higher than budgeted revenue. Consequently, there is \$240,041 available for loan repayments, and/or for allocating to the Farm Reserve.
- 4.3 This report also presents the budget approved within the Annual Plan 2022/23. Current market indications are showing that the farm is likely to exceed budgeted net profit significantly, and that costs are expected to be higher also, but overall a higher than budgeted net profit is likely to result.
- 4.4 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, or be assigned for specific farm related expenditure.
- 4.5 Council debt has increased by \$171,567 to \$2,140,100 during the 2021/22 year. The Committee is being asked to decide how much of the remaining \$240,041 profit can be allocated to debt repayments. With interest rates increasing, it is recommended that a debt repayment continues to be made annually at a level that ensures debt is at least not higher than the previous year. Note – the interest expense for the year is based on a loan repayment of \$171,567, equal to the new borrowings in the financial year.
- 4.6 Environmentally, the Council farm is in a good position and is working towards outstanding actions that need to be addressed. The farm achieved the full 10 cents of the new Co-operative Difference Payment introduced in 2021/22.
- 4.7 Council voted in favour of a change to Fonterra's capital structure in December 2021.
- 4.8 The previous share-milking agreement expired on 31 May 2022. A new agreement was reached with the existing share-milkers, the Fernharp Trust (Aaron and Fiona Riddick).

5. Consultative Process

5.1 Public Consultation - Section 82

No consultation has been undertaken with the public on the Farm Business Report.

The Annual Report 2021/22 will be released to the public, once Council formally adopts the Annual Report.

The budgets for 2022/23 have been formally consulted on as part of the Annual Plan 2022/23 consultation process.

5.2 Māori Consultation - Section 81

Consultation has not been undertaken with iwi on the Farm Business Report. Iwi have been consulted with specifically as part of the Annual Plan consultation process, but not to a detailed level with regards to the farm operations.

6. Risk Analysis

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

6.1 This report 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 Report 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 –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

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

Refer to the attached Farm Business Report 2022.

7.3 **Significance**

	Yes/No	Explain
Is the proposal significant according to the Significance Policy in the Long Term Plan?	No	Aligns with the LTP
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.

Allocating the remaining Net Profit for 2021/22 to debt repayments and/or farm reserve

The opening farm debt balance was \$1,968,533. During the year, new borrowings of \$171,567 occurred as a result of capital expenditure on farm upgrades and improvements.

The Committee must decide, of the remaining \$240,041 net profit, how much of this they would like to put towards repaying debt. Options include 100% or some lesser percentage or fixed amount, or nil. The recommended amount is an amount of at least \$171,567.

The balance, if any, may then be allocated 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.

Financial performance for 2021/22 has exceeded expectations.

It is looking like this will continue for the 2022/23 year.

The Committee will need to consider this when developing the 2023/24 farm budget as part of the Annual Plan 2023/24 process.

The farm reserve may be used by the Farm and Aerodrome Committee to smooth the impact of rates in future years, or if the net return from the farm is not expected to cover the \$50,000 minimum annual rates mitigation.

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?

Not applicable.

7.7 **Legal Issues**

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

Not applicable.

7.8 **Policy Issues - Section 80**

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

The recommendation does not conflict with any Council Policies.

Attachments:

- Appendix 1** Farm Business Report 2022
Appendix 2 Achievement Summary 2021/2022 season



Tiffany Radich
Director – Corporate Services



[Approved by]
Sven Hanne
Chief Executive

Date 13 September 2022

Appendix 1

D22/34839

September 2022

DECISION REPORT

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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 to enable it to fulfil its responsibilities under the *Farm and Aerodrome Committee Terms of Reference*.

The Stratford District Council Farm Business Report 2022 provides an overview of the Farm Activity, a report on the financial results for 2021/22, and presents the budget for 2022/23.

The year end results (pending final audit) for the year ended 30 June 2022 have **Net Profit at \$290,731**, up on budgeted Net Profit of \$110,958. This is largely due to budget assumptions around revenue, specifically milk price forecast. Milk solid production was higher than budget at 154,394 kgMS compared to a budgeted figure of 150,000 kgMS, and the final milk price received of \$9.29 per kgMS, is \$3.04 higher than what was originally budgeted (\$6.25).

Farm debt, without loan repayments, increased by \$171,567, due to another year of significant investment in farm infrastructure, which included a complete upgrade of the yard and the completion of the in-shed feed system.

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 used to reduce rates in the following or later years, or be assigned for specific farm related expenditure. Of the profit made in 2020/21 of \$212,706, \$115,781 went towards repaying debt (which had increased by the same amount during the year due to loan funded capital expenditure), and \$96,925 went into the farm reserve. These funds were then used in full as rates mitigation in the Annual Plan 2022/23, on top of the \$50,000 already set aside as a minimum, to ease the rates burden for the community.

The Farm and Aerodrome Committee will be asked to determine the final figure, of the \$290,731 profit, to be transferred to the Farm reserve after reviewing final financial reports for the year. After allocating \$50,689 of net profit to rates mitigation, there is **\$240,041** available to allocate to loan repayments and/or the farm reserve.

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 by at least \$50,000 per year, and either reduce debt, or be transferred to the Farm reserve which may be used to offset rates, with any withdrawals from the fund to be determined at the setting of the Annual Plan or Long-Term Plan for the following year.
4. To ensure the Aerodrome activity is contributing to the Council's Community Outcomes in a cost-effective manner.

Summary from Share-Milkers

Fernharp Trust Partnership – Dairy Season 1 June 2021 to 31 May 22

Another season completed on farm and the first with the new in shed feed in operation. Given the dry summer we had and the fact that we grew a tonne less feed per hectare on farm compared with previous seasons, the installation came at the perfect time.

In shed feed and the maize grown on farm helped us secure a record production this year - 154,394 KgMs. Like everything all around us, input prices have increased, but thankfully the payout has also increased. With a final payout to be announced with the expectation of it being over \$10 also a record!

In-shed feed has a lot of unmeasurable benefits, the health and well-being of the animals, reduction in the number of down cows as minerals are fed in shed and all cows being fed the same volume, better cow flow in the shed, and less waste of food. Cows were in better condition for mating which we have seen with the 6 week in calf rate, setting us up for a great start to the 2023 season.

Yard was extended and a dung buster added, the yard can now hold the full herd, this has saved between 1 hour and 1 ½ hour each milking, which is a huge time saving in the shed. These upgrades have been amazing and the shed is now comfortably a two-man shed.

Loading ramp at the cowshed is completed. Previously we were walking the cows and using the loading ramp on the Campbell block.

Work was also done on the races. The new race now extends 250m from the cowshed and the crossing completed at the aerodrome side of the cowshed. The races have significantly reduced the issue we have had in the past with lame cows.

Despite the presence of COVID, life on the farm continued as usual and we are delighted to have signed another 5 year contract as the 50/50 sharemilkers on Stratford District Council. We would like to thank all those who have been involved along the way and look forward to another great year on farm.

Thanks, Aaron and Fiona

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 has an Environmental Plan and is directly involved in riparian planting, freshwater plans, 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

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

Fonterra Shares

Council owns 158,716 Fonterra shares – valued at \$2.90 as at 30 June 2022, total value \$460,276

Infrastructure

Cow Shed:

Herringbone 36 aside, automatic cup removers, and automatic teat sprayer (owned by share-milker).
In-shed feeding system (72 batch feeders), with 23 tonne polyethylene silo
Milk room, office, toilet and pump room.
16,000 L vat (owned by Fonterra)

Yard:

Main yard (400 capacity) – recently extended and upgraded, new entrance
Bobby calf shed with loading ramp
An additional loading ramp next to the main yard
Lockable shed for bikes and tools
2 x 4 bay hay sheds
Silage / maize pit
Dungbuster
Storage Container and Concrete Pad

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
Double garage

Three bay shed

Operational

375 Fresian-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 2021/22

Net Profit for the year \$290,731.

Total Revenue is up against budget by \$243,870, at \$732,460.

Milk supply revenue came above budget by \$248,325, at \$717,075. This was a direct result of the final forecast milk price being higher than the original milk price expectations of \$6.25 per KgMS. The milk price received by the Council farm equated to \$9.29 per kgMS (note the revenue is split 50/50 between the Council and the Share-milker).

The final milk price forecast for the season is between \$9.10 and \$9.50, with a midpoint of \$9.30, but the final average milk price received by Council is \$9.29, this is calculated on total cash in and opening and closing accruals, in order to finalise the accounts for audit, with any adjustments to be brought into the following year, with the final milk price announcement not being until late-September. During the year, Council fixed 33,727 kgMS (22%) at an average price of \$8.35.

The Council budgeted for a dividend of 25 cents per share, split 50/50 with the Share-milker. The dividend for the year was 20 cents per share, with the final dividend announcement to be made late-September also.

Expenditure was up against budget by \$64,097, at \$441,729.

Farm working expenses was over budget by \$57,016 at \$299,737 for the financial year, with the most notable variance being spend on sustenance (food for cows), at \$102,018, against a budget of \$55,000. Sustenance was much higher than budgeted. More tonnage was bought in due to reduced pasture growth rates. Resulting reduction pasture harvested was 1000kgs of dry matter per hectare. To maintain production, extra feed was purchased. Pasture management was also double the budget at \$12,160.

Indirect expenses are slightly over budget by \$7,081, at \$141,992, with the main variance being depreciation over budget by \$7,205 due to the increased value of depreciable assets during the year.

Interest has been calculated at \$42,914, and is based on a loan repayment in the year of \$171,567 – equivalent to the amount of new borrowings.

Summary of other measures:

- The value of the Fonterra shares held at the start of the financial year (1 July 2021) was \$596,772, at \$3.76 per share. As at 30 June 2022, the shares were worth \$2.90 each, with a total value for Council of \$460,276. The share price has since dropped to \$2.58 as at 30 August 2022.
- In this financial year, the number of cows milked was 375. Production increased to a new all-time high of 154,394 kgMS, and up on the previous year record of 153,779 kgMS.
- Actual total expenditure per kgMS produced was \$2.86 (2021: \$2.25).

Financial Budget 2022/23

Budgeted Net Profit for the year has been conservatively set at \$191,353.

High level assumptions include milk price (\$7.50 per kgMS) number of cows (375), effective hectares for farming (132), and interest rate (2.18%).

The re-forecasted net profit, based on the latest forecast milk price from Fonterra of \$9.50, is \$346,353.

Total revenue for the farm for 2022/23 is budgeted at \$601,090.

The milk price assumption of \$7.50 is based on 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. However, as at September 2022, the milk price forecast for the year is in a range of \$8.50 to \$10.00 per kgMS. Milk production for the year is expected to be no less than 150,000 kgMS at this stage.

A dividend has been budgeted for in the 2022/23 year of 25 cents per Fonterra share, with half of the dividend to be paid to the share-milker. The current dividend forecast for the year is in a range of 45 to 60 cents per share.

Total expenditure for the farm is budgeted at \$409,737 in 2022/23.

Farm working expenses are higher than the previous year budget by \$20,263 due to an increase in grazing and sustenance costs. Grazing has increased for the year as the previous leases expired, and the new lease contract with New Zealand Grazing incurs a higher grazing rate.

The Council overhead allocation is similar to 2021/22 (\$56,536), at \$57,246.

Interest expense is budgeted at \$46,307 (Actual 2021/22: \$42,914), due to the increase in interest rates.

The depreciation expense is budgeted at \$43,200 for the 2021/22 year, up on last years budget of \$33,054 due to the increased value of assets that will require future replacement.

The budgeted net profit could potentially allow for a loan repayment of \$141,353, after allocating \$50,000 to rates mitigation.

Budgeted total expenditure is \$2.64 per kg of milk solid produced (2021/22 budget: \$2.52).

ANNUAL FINANCIAL REPORT 2021/22 - FARM

	ACTUAL <u>2021/22</u>	BUDGET <u>2021/22</u>	Variance	BUDGET <u>2022/23</u>
Farm Investment				
Milk Production (KgMs)	154,394	150,000	4,394	155,000
Council Farm Final Milk Price	9.29	6.25	3.04	7.50
Council's Share of Milk Revenue*	717,075	468,750	248,325	581,250
Adjustments from previous season	- 1,180	0	-1,180	0
Dividend	16,565	19,840	-3,276	19,840
Total Income	732,460	488,590	243,870	601,090
Fencing	2,685	3,000	315	3,075
R&M Major Works	18,052	18,200	148	11,000
Repairs & Maintenance	28,401	30,000	1,599	25,625
Consultants	4,475	500	-3,975	513
Off-Farm Grazing	35,253	40,000	4,747	48,000
Pasture Management	12,160	5,212	-6,948	5,342
Fertiliser	67,263	70,000	2,737	71,750
Insurance	8,349	6,429	-1,920	8,768
Aerodrome Lease	6,500	6,500	0	6,500
Licences & Permits	2,635	730	-1,905	748
Rates (Services Only)	480	650	170	0
Subscriptions & Publications	2,853	2,500	-353	2,563
Sustenance	102,018	55,000	-47,018	75,000
Weed Control	8,100	4,000	-4,100	4,100
Health and Safety Compliance	512	0	-512	0
	299,737	242,721	-57,016	262,984
Interest	42,914	45,321	2,407	46,307
Depreciation	40,259	33,054	-7,205	43,200
Corporate Services	22,538	21,294	-1,244	22,308
Assets Director	5,406	5,809	403	6,003
Property Asset Manager	30,876	29,433	-1,443	28,935
	141,992	134,911	-7,081	146,753
Total Expenditure	441,729	377,632	-64,097	409,737
Net Profit	290,731	110,958	179,773	191,353

Capital Expenditure

Capital expenditure in 2021/22 of \$191,567 is over budget by \$118,567 and is a result of:

- New Yard Upgrade \$127,876 (in addition to \$20,000 spent in previous year, to a total spend of \$147,876) - no budget was allocated for this in the Long-Term Plan 2021-31. However, \$60,000 was originally approved in the Annual Plan 2020/21, and an increase in the budget was later approved by Council, to \$143,894, but the work was not completed in the 2020/21 year. Of the total amount spent, \$30,000 was funded from depreciation reserves, and the remainder was funded from new borrowings.
- The in-shed feed system project (total cost of \$54,192) was completed at the start of the 2021/22 season, and Council has seen the effects of this by an increase in production, despite adverse weather events. The benefits have been slightly offset by the increase in feed prices.

Capital Expenditure Budget 2022/23

The budget for 2022/23 for capital expenditure is set at \$15,800, to include some riparian planting, and an upgrade to the water lines and trough. The water lines upgrade is required due to the ageing infrastructure, and will benefit the Share-milker by enabling more efficient water usage.

Capital Expenditure Actual Vs Budget 2021/22				
	ACTUAL	BUDGET	Variance	BUDGET
	2021/22	2021/22	2021/22	2022/23
Renewals				
Farm House		-	-	-
Yard Replacement (part \$20k)	20,000	-	(20,000)	-
Effluent Pump		-	-	-
Total Renewals	\$ 20,000	\$ -	-\$ 20,000	\$ -
Increase in Service Level				
Riparian Planting	3,486	3,500	14	3,500
Yard Upgrade (part)	107,876	-	(107,876)	-
General Storage Facilities	6,013	8,000	1,987	-
Free-standing fireplace	-	8,500	8,500	-
In-shed Feed System	54,192	53,000	(1,192)	-
Water Lines and Trough Upgrade				12,300
Total Service Level Increase	171,567	73,000	(98,567)	15,800
	191,567	73,000	(118,567)	15,800

Farm Debt

The final debt balance will be determined by the following formula:

Opening Farm Debt balance 1 July 2021	1,968,533
Plus new borrowings (loan funded capital expenditure)	171,567
Less loan repayments (allocated from net profit)	xxx,xxx
Closing Farm Debt balance 30 June 2022	x,xxx,xxx

The loan repayment is yet to be determined by the Committee, once a decision has been made on how to allocate the remaining \$240,041 net profit – refer to Farm Reserve section below.

In 2022/23, it is forecast that the loan balance will increase by a further \$15,800 due to loan funded capital expenditure.

The actual interest rate will be calculated on the Council’s weighted average cost of debt – as at December 2021 this was 2.18%, and expected to be 2.90% in December 2022.

It is highly recommended that the Farm and Aerodrome Committee commit to repaying some debt in 2022, considering that new borrowings have been drawn during 2021/22 of \$171,567, and interest rates have increased and are likely to continue to increase. The financial results, specifically the interest, is based on a loan repayment of \$171,567 – equivalent to the increase in borrowings.

Farm Reserve

The Farm Reserve funds may be used to fund additional rates mitigation, or for new investment in Council farm infrastructure, or for any other purpose as decided by the Farm and Aerodrome Committee and in accordance with the objectives of the Farm.

The Farm Reserve currently has a nil balance.

Of the net profit for the year of \$290,731, \$50,689 has been allocated to rates mitigation.

This leaves **\$240,041** to allocate to loan repayments and/or the farm reserve to add to rates mitigation as the Farm and Aerodrome Committee recommends. If the Committee was to allocate \$171,567 to loan repayments, there is \$68,474 available to allocate to the Farm Reserve.

Future Outlook for Dairy Farming and the Council Farm

Summary

The Council Farm is primarily held as an economic investment to assist in rates mitigation for the district's ratepayers.

Fonterra is yet to announce a final pay-out for 2021/22 season, but the forecast is expected to be in the range of \$9.10 to \$9.50. The forecast for 2022/23 is similar at between \$8.50 to \$10.00, with a midpoint of \$9.25 per kgMS. This is great news for the Council and ratepayers, and if milk production can be maintained at current expenditure levels, it will result in another profitable season next year.

Capital Restructuring

In December 2021, Fonterra shareholders voted in favour of a new capital structure to replace the current Trading Among Farmers (TAF) capital structure, which has been in place since 2012. The key elements of Fonterra's intended capital restructure are:

- A reduction in the minimum shareholding requirement from 1 share for 1 kilogram of milksolids (kgMS) supplied (1:1) to 1 share for every ~3 kgMS supplied (1:3).
- An increase in the maximum shareholding, from 2 shares for every 1 kgMS supplied (2:1) to 4 shares for every 1 kgMS supplied (4:1).
- Operating a restricted farmers-only market for future share trading, with a lower (10 rather than 20 percent) cap on the size of the unit Fund.

The proposed capital restructure will lower the cost of entry for farmers wishing to join the co-operative and supply milk to Fonterra, thus enabling Fonterra to retain and attract milk supply in the face of forecast plateauing or declining milk production in New Zealand. This in turn will enable Fonterra to make efficient use of sunk investment in processing facilities, remain a large-scale, New Zealand farmer-owned co-operative, and to allocate capital to investments in innovation and sustainability.

The reduced minimum shareholding requirement could also enable farmers to free up some capital, which farmers could use to repay on-farm debt or invest in on-farm innovation, including to advance environmental and/or climate change mitigations.

Share-milkers contract

On 31 May 2022, the Fernharp Partnership Trust (Aaron and Fiona Riddick) signed up for a further five years with the Council farm. The standard Fonterra share-milking agreement was used this time, rather than a bespoke contract. The agreement was used due to the standard clauses that are widely used in New Zealand for a share-milking type arrangement, and the agreement also refers to a new Farm Policy to clarify procedures and expectations around the operation of the farm that are not sufficiently covered by the Share-milking Agreement. Notable changes to the contract include:

- Addition of financial/budget management section – giving the share-milkers the authority to spend Council's share of direct operational expenditure, where the spend is within the approved budget. With an additional requirement that Council (or Committee) approval be given for any budget variance that exceeds 10%.

- Water Mains Renewal section – Council will now reimburse the share-milker for a share of the water consumption cost, at 50% for 2022/23 and 25% for 2023/24 to reflect the current condition of the water pipe infrastructure on the property.
- Addition of a clause to allow for market rates to be paid to the sharemilker for reimbursement of materials and labour for any agreed capital expenditure.
- Council will now be responsible, as per the normal industry standard, for 50% of costs associated with feed produced on-farm (not just for a half share of bought-in feed).

Sustainable Dairying

From 1 June 2021, up to 10 cents of each farm's milk payment is now determined by the farm's sustainability credentials and milk quality. The amount and targets will be set annually by the Fonterra Board.

The 10 cent Co-operative Difference payment is made up of:





- 7 cents per kgMS for achievement under the Environment, Co-op & Prosperity, Animals, and People & Community focus areas.

Once these have been achieved;

- 3 cents per kgMS for milk that meets the 'Excellence' standard under the Milk Quality framework.

In the 2021/22 season, the Council farm achieved the full 10 cents co-operative difference payment.

Te Pūtake

<p>7c kgMs on all milk supplied</p>	<p>You must meet all four achievements and have them verified before the end of the season.</p>
 <p>Environment Farm Environment Plan in place with at least three out of four key practices being achieved.</p>	 <p>Animals Have and implement an Animal Wellbeing Plan developed with your vet.</p>
 <p>People and Community Complete the DairyNZ Workplace 360 Assessment and achieve 100% on the foundation level.</p>	 <p>Co-op and Prosperity Full and accurate Farm Dairy Records kept and submitted by 30 June 2022.</p>

Te Puku

<p>3c kgMs on all qualifying milk</p>	<ul style="list-style-type: none"> • Once Te Pūtake is achieved, the next step is Te Puku which is all about milk quality. • To achieve Te Puku, your farm must achieve milk quality excellence for at least 30 days during the season. • Once this has been achieved, all milk supplied during the season that meets the milk quality excellence standard will attract the payment.
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Long Term Planning

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. - 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



Appendix 2



Achievement Summary

Farm 41047

This report shows your farm's performance against The Co-operative Difference achievements for the 2021/2022 season

Te Pūtake



Achieved

Achievements must be met across 4 focus areas



Achieved



Achieved



Achieved



Achieved

Te Pūtake

The start of the journey



Te Puku



Achieved

Te Pūtake met plus at least 30 days Milk Quality Excellence



135 days at Milk Quality Excellence

(78,363 kgMS)

Te Puku

The mid-point



Te Tihi



Not Achieved

Te Puku met plus Milk Quality Excellence achieved on at least 90% of the days that milk is supplied.

45% at Milk Quality Excellence

Te Tihi

The summit



For more information on The Co-operative Difference go to: www.fonterra.com/makethedifference



Achievement Summary

Farm 41047

Here is a summary of your achievements in each focus area



Co-operative and Prosperity



People and Community



Animals

<p>Achieved ✓</p> <p>Full and accurate Farm Dairy Records kept and submitted by the 30th June 2022</p>	<p>Achieved ✓</p> <p>Completed the DairyNZ Workplace 360 and achieved 100% on the Foundation level and verified</p>	<p>Achieved ✓</p> <p>Animal Wellbeing Plan implemented and verified</p>
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Environment

<p>Achieved ✓</p> <p>Must have, or have requested a Farm Environment Plan ✓</p>	<p>In addition to your FEP requirement, you must achieve at least three of the four following practices:</p>	<p>Purchased Nitrogen Surplus Target Achieved</p>	<p>Product Stewardship Scheme Achieved</p>
		<p>Effluent Achieved</p>	<p>Farm Grown Feed Achieved</p>



Milk

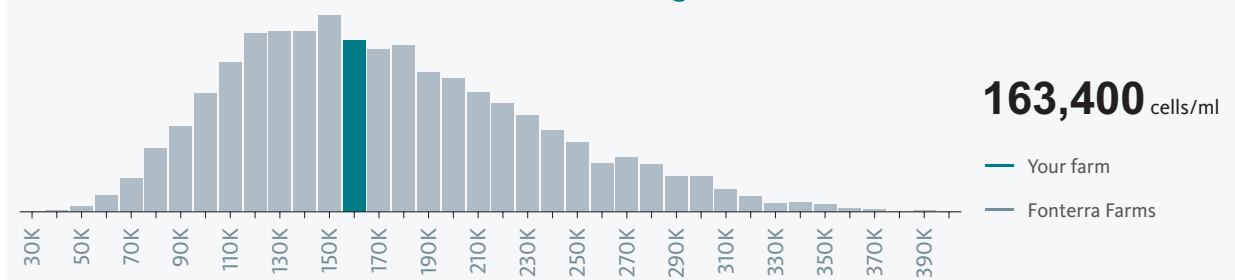
	Your Farm		Co-op Average
	Days Achieved	% Milk Supplied (kgMS)	% Milk Supplied (kgMS)
Excellence	135 days	51%	46%
Quality	156 days	47%	52%
Downgrade	7 days	2%	2%

Excellence milk means every parameter tested meets or exceeds the Milk Quality Excellence standards.

Quality milk means that the farm provided the Co-op with high quality milk, but one or more tests fell short of Milk Quality Excellence standards. This milk meets the Co-operative's milk quality standards as set out in the Fonterra Farmer's Terms of Supply.

Downgrade milk means the farm failed to meet one or more of the Co-op's milk quality standards. This was previously referred to as grading.

Your Somatic Cell Count Seasonal Average



The information provided in this report is indicative only and is to be used for the purposes of general illustration and reference. Fonterra makes no representations or warranties as to whether the information or data provided in this report is accurate, correct or reliable. You are solely responsible for any actions or decisions you take in reliance on the information and data generated, and Fonterra disclaims all liability for any loss arising from any actions or decisions taken by you in reliance of the information contained in this report. Note that your milk quality information is based on a combination of actual and estimated data.

INFORMATION REPORT



D22/33938

To: Farm and Aerodrome Committee
From: Property Officer
Date: 20 September 2022
Subject: Risk Review

Recommendation

THAT the report be received.

Recommended Reason

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

 Moved/Seconded

1. Purpose of Report

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

2. Executive Summary

The Senior Leadership Team (SLT) discuss changes to the corporate risk register weekly. This review of the Farm and Aerodrome Risk Registers is undertaken at the Quarterly Sharemilkers meetings, by Sharemilkers and staff present, to ensure that all risks are being managed appropriately. In the past quarter, no new risk have been added to the risk register.

3. Local Government Act 2002

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

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

Yes

Social	Economic	Environmental	Cultural
	✓	✓	

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

4. Background

The Farm and Aerodrome Risk Registers were adopted by the committee at the September 2020 meeting.

The Risk Registers are based on requirements from:

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

The Risk Register reports on all risks identified to be managed by the Sharemilkers and Council staff.

5. Information Summary

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

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

5.2 **Changes to the Risk Register**

There has been no changes to the Risk Register since the last Committee meeting.

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

There has been no incidents or threats in relation to the risk register since the last Farm and Aerodrome Committee meeting.

6. Strategic Alignment

6.1 **Direction**

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

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

Not Applicable

6.3 **District Plan**

Not Applicable

6.4 **Legal Implications**

Not Applicable

6.5 **Policy Implications**

No policy implications

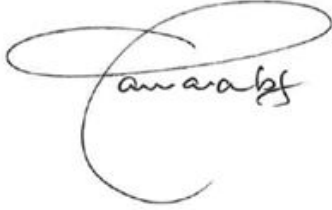
Attachments:

Appendix 1 – Farm Risk Register

Appendix 2 - Stratford Aerodrome Risk Register



Sara Flight
Property Officer



[Approved by]
Victoria Araba
Director - Assets



[Approved by]
Sven Hanne
Chief Executive

Date 13 September 2022

Farm Risk Register

Item	Risk Category	Risk Subject	Risk Description	Risk Score Raw	Control Description	Residual Risk Score
1	Operational	COVID- 19	<ul style="list-style-type: none"> If the sharemilker contracts COVID-19 and is unable to work for a few weeks this could affect the operation of the farm. 	Medium to High	<ul style="list-style-type: none"> Prepare and maintain a Business Continuity Plan. Have a Movement Plan between the Sharemilker and other workers to eliminate the transmission of the virus to others. Limit movement of stock, people and machinery on/off farm. Work with Bio-Security NZ, Ministry Primary Industries (MPI), Taranaki Regional Council (TRC), Farm Vets to ensure the threat is identified and work to minimise the threat. Ensure Staff/committee are kept up to date with everyday decisions. Follow MPI Guidelines - https://www.biosecurity.govt.nz/growing-and-harvesting/land-care-and-farm-management/biosecurity-on-your-farm/ 	Medium to Low
2	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
3	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
4	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
5	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. Review contract with Sharemilkers every three years to ensure everyone is on same page 	Medium

2022 - Agenda - Farm and Aerodrome - September - Information Report - Risk Review

Item	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. 			
6	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
7	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
8	Animal Welfare	Reputational Damage	<ul style="list-style-type: none"> Animal Welfare issues – If an animal welfare issue eventuates on-farm then reputational damage to both Sharemilker and Council could occur. 	Medium	<ul style="list-style-type: none"> To ensure there is good animal welfare practice on farm and as the cows are owned by the Sharemilkers, the following codes must be complied with: <ul style="list-style-type: none"> The Animal Welfare Act 1999; An <i>Animal Health Plan</i> provided through a Veterinary Practice; and The Fonterra Welfare Codes and Regulations 	Low

APPENDIX 2



Stratford Aerodrome
 232 Flint Road
 Stratford
 ph 06 7656099

RISK REGISTER

Source of Risk		Risk Rating (Uncontrolled risk rating)			Heirachy of Control	Controls	Residual Risk	Persons responsible	Date to be Completed	Review Date and Initial
Source of Risk	Risk	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
Debris on Airfield	Damage, injury	Catastrophic	Possible	HIGH	M	Physical check of airfield, including runway and wider manoeuvring area to identify and remove debris, including but not limited to Bale wraps and other wind blow material	LOW	Operations & Members using the Aerodrome	As required	N/A - ongoing management

2022 - Agenda - Farm and Aerodrome - September - Information Report - Risk Review

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 Bowser 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 Ministry for the Environment	LOW	Operations & Members using the Aerodrome Stratford District Council	On-going monitoring	N/A - ongoing management
It is of critical importance that the fuel taken on-board at uplift is not contaminated since the effects of any such contamination are likely to affect the engines and this may not be evident until after an aircraft has become airborne.	Fuel Contamination	Moderate	Unlikely	LOW	M	Fuel filtration procedures Fuel Testing Fuel Storage Pre-flight checks	LOW	Operations & Members using the Aerodrome	On-going monitoring	N/A - ongoing management
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



D22/32383

To: Farm and Aerodrome Committee
From: Property Officer
Date: 20 September 2022
Subject: Farm and Aerodrome Financial Report

Recommendation

THAT the report be received.

Recommended Reason

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

/_____
 Moved/Seconded

1. Purpose of Report

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

2. Executive Summary

- 2.1 This report provides information on the current financial position of the Farm and Aerodrome.
- 2.2 It highlights the milk production from the current season at the farm and reports on the key activities at the Aerodrome.

3. Local Government Act 2002

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

This report supports the provision of 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 is as shown in the Monthly Production graph below (**Figure 1**) with an 9% variance (increase) from this time last year.
- 4.1.2 Despite the bad weather, it's been a great start to the 2022/2023 season with producing 7,981.10kgms in August. The production is on track to meet the 150,000kgm target



Figure 1: Total Kg Milk Solids Production from June to August

- 4.1.3 Due to the continuous bad weather in the previous season, calving starting early. The riparian planting is programmed in for September. Once planted, the Taranaki Regional Council will undertake another audit to ensure the Riparian Management Plan has been implemented accordingly.
- 4.1.4 The Sharemilkers quarterly meeting was held on Thursday 1 September 2022.
- 4.1.5 In the 2021/2022 season Council had three fixed milk price contracts. In this season 2022/2023 Council has two fixed milk price contracts (**Table 1**).

Table 1: Fixed Milk Prices

FMP AGREEMENTS	EST.SEASONAL PRODUCTION (KGMS)	FIXED QUANTITY (KGMS)	FIXED MILK PRICE	FIXED % OF EST SEASONAL
Season 2020/2021				
November	149391	5825	8.62	3.9%
October	149391	10212	8.49	6.84%
September	149391	17690	8.12	11.84%
Season 2022/2023				
June	149391	6986	10.24	4.68%
May	149391	11618	9.38	7.78%

- 4.1.6 The Farm Dairy Assessment report identified that the milking parlour is in need of repainting. The painting commenced in the last financial year, but has been pushed out due to weather conditions. Calving started early to November/December this year.
- 4.1.7 A shipping container owned by the Council will be transferred to the farm in September for use as a chemical shed. Once transferred, the Petrol/Diesel tank will be installed on the end of the concrete pad.

4.2 Aerodrome Information

- 4.2.1 Due to Covid-19 and the number of Customer Satisfaction survey responses for the Aerodrome last financial year 2021/2022, (**Appendix 5**) the level of service was not met. Three responses were returned, with 2 relating to the Aerodrome. In 2020/2021 and 2019/2020 only four responses were received. At the end of this financial year, surveys will be circulated differently to ensure all users/visitors have the option to provide feedback.
- 4.2.2 Council Officers are currently developing procurement documents for the review of the Aerodrome Management Plan.
- 4.2.3 RD Petroleum Aviation proposes to install the Jet A1 Fuel Dispensing Facility at the Aerodrome in October 2022.
- 4.2.4 The aircraft movements by month and type are shown Figures 2 and 3 below.

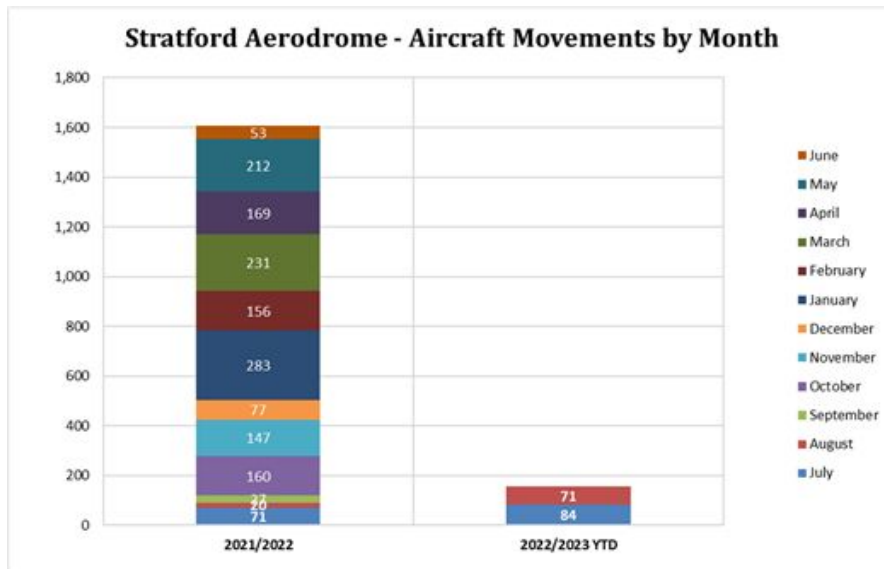


Figure 2: Aircraft Movements by Month

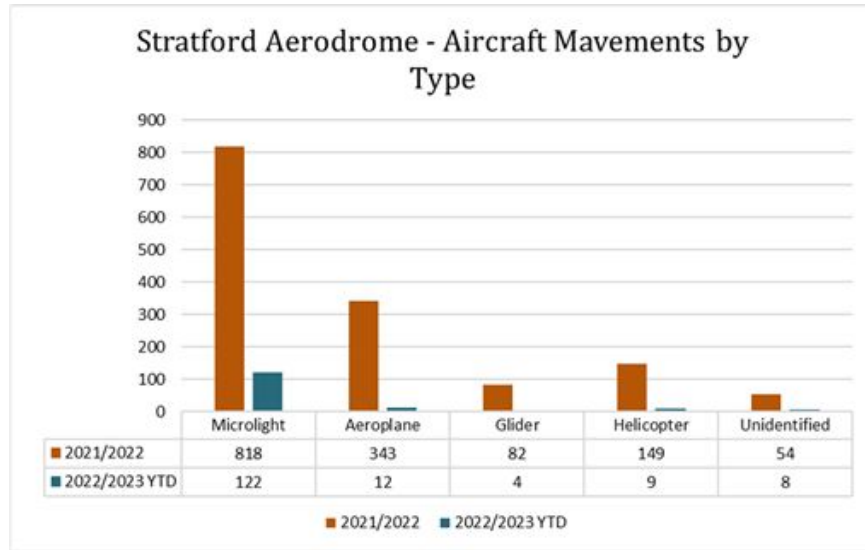


Figure 3: Aircraft Movements by Type

5. Financial Report

5.1 Annual Plan – Budget 2022/23

The budget attached (**Appendix 1**) is the re- forecasted budget for 2022/2023

5.2 Repair and Maintenance Major Works – Race maintenance has been completed, which has had a big impact of reducing the number of lame cows. Available balance \$1,734.70

5.3 Repair & Maintenance – Repair work on the Farm house and workers cottage are being undertaken in September. Available budget is \$24,605.33

5.4 Capital expenditure – 11 Water Trough have been purchased, and will be installed with new water lines, when calving stops. Available budget is \$8,360.00

6. Strategic Alignment

6.1 Direction

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

6.2 Annual Plan and Long-Term Plan

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

6.3 District Plan

There are no implications on the District Plan.

6.4 Legal Implications

There are no legal implications.

6.5 Policy Implications

There are no policy implications.

Attachments:

Appendix 1 – Annual Plan 2022/23

Appendix 2 - YTD Financial Report – August 2022

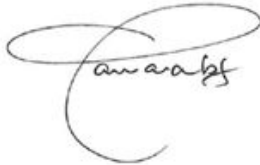
Appendix 3 – Work Programme

Appendix 4 – Capital expenditure report

Appendix 5 – Aerodrome Satisfaction Survey 2021/2022 Summary



Sara Flight
Property Officer



[Approved by]
Victoria Araba
Director - Assets



[Approved by]
Sven Hanne
Chief Executive

Date: 13 September 2022

APPENDIX 1

ANNUAL PLAN 2022/2023

	ANNUAL PLAN 2022/23	LTP 2022/23	Variance	ACTUAL 2020/21
Income				
Milk Production (KgMs)	155,000	150,000	5,000	150,918
Council's Final Milk Price	7.50	6.25	1.25	7.38
Council's Share of Milk Revenue	581,250	468,750	112,500	556,882
Payments from previous season	-	0	0	39,737
Dividend (25c per share - split)	19,840	19,840	0	9,369
Total Income	601,090	488,590	112,500	605,988
Operating Costs				
Fencing	3,075	3,075	0	1,856
R&M Major Works	11,000	11,000	0	4,969
Repairs & Maintenance	25,625	25,625	0	32,642
Consultants	513	513	0	695
Off-Farm Grazing	48,000	41,000	-7,000	43,821
Pasture Management	5,342	5,342	0	10,479
Fertiliser	71,750	71,750	0	46,104
Insurance	8,768	8,768	0	6,123
Aerodrome Lease	6,500	6,500	0	6,500
Licences & Permits	748	748	0	685
Rates (Services Only)			0	1,021
Subscriptions & Publications	2,563	2,563	0	4,293
Sustenance	75,000	56,375	-18,625	38,780
Weed Control	4,100	4,100	0	7,436
	262,984	237,359	-25,625	205,403
Indirect Costs				
Interest	46,307	46,307	0	47,393
Depreciation	43,200	43,200	0	33,537
Corporate Services	22,308	22,869	561	22,979
Assets Administration	6,003	6,223	220	4,569
Property Management	28,935	30,161	1,226	26,401
	146,753	148,760	2,007	134,879
Total Expenditure	409,737	386,119	-23,618	340,282
Net Profit	191,353	102,471	88,882	265,706

APPENDIX 2

YTD Financial Report – August 2022

	YTD PREVIOUS 2021/22	YTD ACTUAL 2022/23	YTD BUDGET 2022/23	Variance	BUDGET 2022/23	BUDGET 2022/23 Reforecast	Budget Variance
3800 - Farm Investment							
1700 - Income							
Milk Production (KgMs)	6,988	7,981	25,000	-17,019	150,000	155,000	
Forecast Milk Payout	8.00	9.25	6.25	3.00	6.25	7.50	
Council's Share of Milk Revenue*	27,950	36,913	78,125	-41,212	468,750	581,250	
Dividend			3,307	-3,307	19,840	19,840	
Total Income	27,950	36,913	81,432	-44,519	488,590	601,090	
1701 - Operating Costs							
Fencing	977	-	513	513	3,075	3,075	
R&M Major Works		9,265	1,833	-7,432	11,000	11,000	
Repairs & Maintenance	1,167	1,020	4,271	3,251	25,625	25,625	
Consultants	-	-	86	86	513	513	
Off-Farm Grazing	-	270	6,833	6,563	41,000	48,000	7,000
Pasture Management	467	-	890	890	5,342	5,342	
Fertiliser	3,158	3,562	11,958	8,396	71,750	71,750	
Urea	-	-	0	0	0	0	
Insurance	8,349	8,719	1,461	-7,258	8,768	8,768	
Lease	1,083	1,083	1,083	-0	6,500	6,500	
Licences & Permits	-	-	748	748	748	748	
Rates (Services Only)	960	1,045	0	-1,045			0
Subscriptions & Publications	-	-	427	427	2,563	2,563	
Sustenance	5,423	-	9,396	9,396	56,375	75,000	18,625
Weed Control	-	148	683	536	4,100	4,100	
Health and Safety Compliance	-	-	0	0	0	0	
	21,583	25,113	40,183	15,070	237,359	262,984	25,625
1703 - Indirect Costs							
Interest	-	-	7,718		46,307	46,307	
Depreciation	33,054	43,200	7,200	-36,000	43,200	43,200	
Corporate Services	5,830	6,127	3,812	-2,315	22,869	22,308	
Assets Director	929	990	1,037	47	6,223	6,003	
Property Asset Manager	3,221	5,356	5,027	-330	30,161	28,935	
	43,034	55,674	17,076	-38,598	148,760	146,753	
Total Expenditure	64,617	80,787	57,259	-23,528	386,119	409,737	23,618
Net Profit	- 36,667	- 43,874	24,173	-68,047	102,471	191,353	88,882

APPENDIX 3

Work Programme

2022	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 4

Capital Expenditure

Capital Expenditure for 2022/2023

Capital Expenditure Actual Vs Budget 2022/2023			
	YTD ACTUAL	Full Year BUDGET	Variance
<i>Increase in Service Level</i>			
Riparian Planting		3,600.00	3,600.00
Water Lines and Trough Upgrades	3,940.00	12,300.00	8,360.00
Total Service Level Increase	\$ 3,940.00	\$ 15,900.00	\$ 11,960.00

APPENDIX 5

STRATFORD AERODROME

JULY 2022

CUSTOMER SATISFACTION SURVEY



**STRATFORD AERODROME
2022 CUSTOMER SATISFACTION SURVEY – SUMMARY**

Total Responses: 3, 1 respondent is looking at erecting a hangar, but is not located there yet therefore not answered the question.

Q1. What is your relationship with the aerodrome?

Ground lessee: 1
Renting hangar space: 1 (also member of gliding club)
Commercial operator: 1
Visiting/itinerant user:
Member of aero/gliding club: 2
Other:

Q2. Are you a recreational or commercial flyer?

Recreational: 2 (100%)
Commercial: 0 (0%)
Both: 0 (0%)

Q3. Where do you live?

Stratford District: 0 (0%)
Another district of Taranaki: 2 (100%)
Outside Taranaki: 0 (0%)

Q4. Approximately how many landings/take-offs per annum would you engage in?

1 - 5: 0 (0%)
6 -10: 0 (0%)
11 - 20: 0 (0%)
21 - 50: 1(50%)
50+: 1 (50%)
No indication: 0 (0%)

Q5.1 How satisfied are you with the current maintenance of the runways (frequency of mowing)?

1/2: 0 (0%)
3/4: 0 (0%)
5/6: (%)
7/8: 1 (50%)
9/10: 1 (50%)
No indication: 0 (0%)

Q5.2 How satisfied are you with the current maintenance of the runways (quality of mowing)?

1/2: 0 (0%)
3/4: 0 (0%)
5/6: 1 (50%)
7/8: 0 (0%)
9/10: 1 (50%)
No indication: 0 (0%)

**STRATFORD AERODROME
2022 CUSTOMER SATISFACTION SURVEY – SUMMARY**

Total Responses: 3, 1 respondent is looking at erecting a hangar, but is not located there yet therefore not answered the question.

Q1. What is your relationship with the aerodrome?

Ground lessee: 1
Renting hangar space: 1 (also member of gliding club)
Commercial operator: 1
Visiting/itinerant user:
Member of aero/gliding club: 2
Other:

Q2. Are you a recreational or commercial flyer?

Recreational: 2 (100%)
Commercial: 0 (0%)
Both: 0 (0%)

Q3. Where do you live?

Stratford District: 0 (0%)
Another district of Taranaki: 2 (100%)
Outside Taranaki: 0 (0%)

Q4. Approximately how many landings/take-offs per annum would you engage in?

1 - 5: 0 (0%)
6 -10: 0 (0%)
11 - 20: 0 (0%)
21 - 50: 1(50%)
50+: 1 (50%)
No indication: 0 (0%)

Q5.1 How satisfied are you with the current maintenance of the runways (frequency of mowing)?

1/2: 0 (0%)
3/4: 0 (0%)
5/6: (%)
7/8: 1 (50%)
9/10: 1 (50%)
No indication: 0 (0%)

Q5.2 How satisfied are you with the current maintenance of the runways (quality of mowing)?

1/2: 0 (0%)
3/4: 0 (0%)
5/6: 1 (50%)
7/8: 0 (0%)
9/10: 1 (50%)
No indication: 0 (0%)

STRATFORD AERODROME

2022 CUSTOMER SATISFACTION SURVEY – SUMMARY

The following is a summary of comments offered in the categories of maintenance, aviation safety, operational and infrastructural improvements.

Runways:

Loose grass being left on the airfield, can be a hazard to light aircrafts.

Maintenance

Windssocks need to be renewed when faded or torn, and the pivots are noisy indicating a lack of lubrication. Windssock are currently being replaced.

Number of hollows that have developed on the eastern end of 09/27 would need to filled in.

West end of runway swampy in winter. Drainage lines sink in summer, making for rough landings and take offs

Operational Improvements

Gliding take-offs on runway 09/27 would benefit from extending the thresholds back to the fences, although the end runway lights would have to be replaced as the current ones are an unacceptable obstruction to this concept.

Infrastructure Improvements

The drains across the eastern half of 09/27 are depressed and extremely rough.

STRATFORD AERODROME

2022 CUSTOMER SATISFACTION SURVEY – SIGNIFICANT FINDINGS

1. On-going work still needs to occur on the runways – to ensure aircrafts are safe during take-off and landings

QUARTERLY REPORT



D22/32382

To: Farm and Aerodrome Committee
From: Property Officer
Date: 20 September 2022
Subject: Health and Safety Update

Recommendation

THAT the report be received.

/_____
 Moved/Seconded

1. Purpose of Report

The purpose of this report is to provide to this committee the Health and Safety update for the period between June 2022 and September 2022.

2. Executive Summary

- 2.1 There were no recorded incidents at the Council Farm.
- 2.2 There were no recorded incidents at the Stratford Aerodrome.

3. Local Government Act 2002

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

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

Yes

Social	Economic	Environmental	Cultural
	✓	✓	

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

4. Information Summary

- 4.1 This report provides a summary of the Farm and Aerodrome's Health and Safety performance in the last quarter.
- 4.2 The Council has not recorded any health and safety incidents at the Aerodrome in the last quarter.
- 4.3 The Council has not recorded any health and safety incidents on the Farm in the last quarter.
- 4.4 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.

5. Sharemilker Health and Safety Report

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

- 5.1 **General**
 - The Chemical Container will be transported to the Farm in September. The petrol/diesel tank will also be installed in September on the concrete pad.
 - The Sharemilkers have a Business Continuity Plan in place in the case of another Covid outbreak at the farm.
- 5.2 **Incidents/Near-Misses**
 - **Incident:** 0 incident to report
 - **Near-Misses:** 0 Near-Misses to report.

6. Strategic Alignment

- 7.1 **Direction**

This report is consistent with the 2021-2031 Long Term Plan
- 7.2 **Annual Plan and Long-Term Plan**

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

There are no implications on the District Plan.
- 7.4 **Legal Implications**

There are no legal implications.
- 7.5 **Policy Implications**

There are no policy implications.



Sara Flight
Property Officer



[Approved by]
Victoria Araba
Director - Assets



[Approved by]
Sven Hanne
Chief Executive

Date 13 September 2022



TE KAUNIHERA Ā ROHE O
WHAKAAHURANGI
STRATFORD
DISTRICT COUNCIL

Our reference
F19/13/03-D21/40748

Karakia

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

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