



# **MILFORD COMMUNITY TRUST**

## **Final**

# **STATEMENT OF INTENT 2017 - 2020**

# Milford Community Trust

## STATEMENT OF INTENT

### 1. Introduction

The Milford Community Trust was established in 2007 by the Southland District Council and the Department of Conservation with the assistance of Environment Southland for the purposes of providing leadership and governance for the Milford community.

The Trust Deed defines Milford as the developed area of land and adjacent coastal marine area at the end of State Highway 94 at the head of Milford Sound. It defines the Milford community as being the residents of Milford, the holders of concessions from the Crown operating at Milford and Iwi.

The purpose of this Statement of Intent (SOI) is to:

- Set out the proposed activities of the Trust.
- Provide an opportunity for stakeholders to influence the direction of the organisation.
- Provide a basis for accountability of the Trustees to their stakeholders for the performance of the organisation.

This Statement of Intent covers the three years from 1 July 2017 to 30 June 2020. The statement is updated annually.

### 2. Objectives of the Trust

The objectives of the Trust are:

- (a) To manage and carry out services and undertake leadership, planning and advocacy for the general benefit of the Milford community so as to ensure as far as possible that the infrastructure of the community and its sense of identity, viability and wellbeing are maintained and enhanced.
- (b) To liaise with and communicate with all individuals, organisations, groups and other parties with interests in the Milford community for all purposes which are beneficial to the community.
- (c) To represent the interests of the Milford community to ensure that the natural environments and outstanding values of the Milford Sound area are safeguarded and protected for all residents and visitors to the area.
- (d) To monitor and maintain an overview of all activities and services provided within the Milford community.
- (e) To consider and report on all matters either referred to and/or delegated to it from time to time by the Department of Conservation and the Southland District Council and on any matter of interest or concern to the Milford community.

- (f) To access, use or invest funds and enter into arrangements, contracts and other agreements upon such securities or in such manner and upon such terms and conditions that the Trustees deem suitable for the purpose of furthering the objects and purposes of the Trust.
- (g) To carry out such other lawful activities which are incidental or conducive to attaining the objects and purposes of the Trust.

### 3. Statement on the Trust’s Approach to Governance

#### Establishment

The Milford Community Trust was established in 2007 following a process of consultation with residents, agencies and businesses with interests in Milford in accordance with the special consultation process set out in the Local Government Act 2002. The inaugural meeting of the Trust was held on 18 April 2007.

The Trust was incorporated under the Charitable Trusts Act 1957 on 18 May 2007. The Charities Commission has approved the Trust as being exempt for tax purposes.

The Trust reports to the Southland District Council.

#### Trust Structure

In accordance with Section 9 of the Trust Deed, the Trust is governed by a board of seven Trustees. Current representatives from stakeholder groups are shown in the table below:

| <b>Designation</b>                                     | <b>Name</b>     | <b>Term Expires<br/>30 June</b> |
|--|-----------------|---------------------------------|
| Independent Chair                                      | Michael Schuck  | 2018                            |
| Mararoa-Waimea Ward Councillor, ex-officio appointment | Ebel Kremer     | Oct 2019                        |
| Milford Community Association elected representative   | Brad Johnstone  | 2017                            |
| Milford Community appointee                            | Tim Holland     | 2020                            |
| Milford Community appointee                            | Jason Steele    | 2018                            |
| Milford Community appointee                            | Mike McConachie | 2018                            |
| Milford Community appointee                            | Rosco Gaudin    | 2019                            |

#### Trust Operations

The Trust Deed sets out the way in which business of the Trust is to be conducted. A strong driver is that the local Milford community should determine its own priorities and agree on the funding for these. The Trust strives to regularly review its performance and to be open and accountable to the community through public meetings. The Trustees also undertake to meet the regulatory and stakeholder requirements for governance, reporting and planning, particularly the local government reporting requirements and recognition of the National Park and World Heritage Area status of the Milford Sound *Piopiota* area.

## Resources Available to the Trust

Standing Orders, a Code of Conduct for Trustees and administrative support is available from Southland District Council.

## Significant Policies

The Trust has a comprehensive Communications Policy in relation to its activities. Where appropriate, other policy guidance is obtained from relevant council and other statutory authority policy. It is expected that a full set of all relevant policies will be developed within the period covered by this Statement.

## **4. The Nature and Scope of the Activities to be Under-taken**

### Vision

The Trust's vision is:

**The long-term sustainability of Milford Sound *Piopiotahi*.**

### Strategic Goals

The primary goals of the Trust are to:

- Provide leadership and governance for the Milford community in Milford Sound *Piopiotahi*.
- Monitor the adequacy of all arrangements to ensure sustainability.
- Advocate for the general benefit of the Milford community.
- Coordinate and communicate with all parties having interests in Milford Sound *Piopiotahi*.
- Undertake formal consultation on behalf of the Department of Conservation in relation to their services and facilities to be provided for the benefit of the Milford community.

Within the over-arching vision and strategic goals, the more specific focus areas for 2017- 2020 are:

### **Planning:**

- Planning to address specific issues: highway safety, control of illegal camping, toilet facilities, community facilities, and coordinated emergency response.

### **Communication:**

- Communicate the roles of the Trust and other authorities more clearly to the Milford community.
- Communicate the World Heritage Area status and relevance of this to Milford.
- Affirm the Trust role as a voice for the Milford community.
- Maintain closer relationships with Milford infrastructure providers.

- Provide clear information to concessionaires regarding intentions and implementation of Trust policies.
- Communicate with concessionaires and enquire of any planned activities they desire for the next three years and to adopt the SOI which is to be sent to all Concessionaires.

**Advocacy:**

- Advocate on behalf of the Milford community to central government, Environment Southland, Department of Conservation, Southland District Council, Iwi and other authorities.

Planned Activities/Services

**2017/18:**

- Advocate and assist with other organisations for strategic improvements in community planning in Milford Sound.
- Advocate and investigate funding options with other organisations for public toilets and shelter at the airport and completion of the walking track to the Lodge.
- Assist the Milford Community Association with the development of the Cleddau Village Recreation area which is to accommodate the community centre.
- Provide funding for medical support, services and facilities for Milford ERT station.
- Funding of the Team Leader Emergency Services and investigate the role of the Fiordland Medical Trust on emergency services.
- Review of the Trust and charging mechanism with stakeholders including concessionaires.
- Engage with NZTA for the development of the walking track from the airport to Deepwater Basin Road, car parking at the rock climbing area etc.
- Advocate the continuation of maintaining beautification and roading within the village.

**2018/19:**

- Advocate and assist with other organisations for strategic improvements in community planning in Milford Sound.
- Review the development of a future focused plan for the Milford ERT station including medical support and services.
- Provide funding for medical support, services and facilities for Milford ERT station.
- Purchase of emergency response equipment as required.
- Advocate and monitor camping ground facilities with affected organisations on Milford side of Homer Tunnel. (Trust to consider, is this the role of the Trust.)
- Advocate the continuation of maintaining beautification and roading issues within the Village and Deepwater Basin.
- Review of the requirements and funding of the Team Leader Emergency Services.

- Assist the Milford Community Association with the on-going development of the Cleddau Village Recreation Area to accommodate the community centre.
- Advocate with other organisations for public toilets and shelter at the airport and completion of the walking track to the Lodge. (Trust is operating in an advocacy role and funding options need to be investigated.)

#### **2019/20:**

- Advocate and assist with other organisations for strategic improvements in community planning in Milford Sound
- Provide funding for medical support, services and facilities for Milford ERT station.
- Purchase of emergency response equipment as required.
- Advocate maintaining beautification and roading issues within the Village and Deepwater Basin.
- Funding of the Team Leader Emergency Services if not already complete. (Recommend outcome of review noted in 18/19 for all medical services is relating to this activity.)
- Assist the Milford Community Association with the on-going development of the Cleddau Village Recreation Area which is to accommodate the community centre.
- Advocate with other organisations for public toilets and shelter at the airport and completion of the walking track to the Lodge. (Trust is operating in an advocacy role and funding options need to be investigated.)

## **5. Ratio of Total Assets: Equity**

Total assets are defined to include cash, investment and bank balances, accounts receivable, investments, prepayments, fixed assets (net of accumulated depreciation), intangible assets (net of accumulated amortisation), loans (none), etc.

Total equity is defined to include accumulated funds and retained earnings.

The ratio of total assets to total equity is planned at 1:1.

## **6. Significant Accounting Policies**

The following accounting policies have been adopted by the Trust.

### **Revenue Recognition**

#### *Concessionaires Fees*

Revenue is recorded when the fee is due to be received.

#### *Donated Assets*

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

### *Interest*

Interest revenue is recorded as it is earned during the year.

### **Debtors**

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment and the loss is recorded as a bad debt expense. Debtors are shown as GST inclusive.

### **Bank Accounts and Cash**

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

### **Creditors and Accrued Expenses**

Creditors and accrued expenses are measured at the amount owed.

### **Property, Plant and Equipment**

Property, plant and equipment is recorded at cost, less accumulated depreciation and impairment losses.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a diminishing value basis that will write off the cost of the assets over their useful lives. This is calculated using the following rates:

Equipment     40% Diminishing Value

### **Income Tax**

The Trust is exempt from income tax as it is a Charitable Trust registered with the Charities Commission.

### **Budget Figures**

The budget figures are derived from the Statement of Intent as approved by the Trustees at the beginning of the financial year. The budget figures have been prepared in accordance with tier 3 standards, using accounting policies that are consistent with those adopted by the Trustees in preparing these financial statements.

## 7. Key Performance Targets

The Trust has two levels of indicators:

- (a) The first relates to the achievement of objectives set by the Trust and carried through to the Long Term Plan (LTP). These are agreed through a public consultation process undertaken by the Southland District Council. These targets can be changed only through a formal review of the LTP.
- (b) The second set of are generic internal performance measures:

| Level of service  | Key performance indicator   | Actual              | Target |       | Confirmation source |  |
|---|---|---------------------|--------|-------|---------------------|--|
|   |   | 16/17               | 17/18  | 18/19 |                     | 19/20  |
| Maintain a structure that facilitates local decision-making.        | Hold public forums in Milford each year.  | 1                   | 1      | 1     | 1                   | Agenda/minute records on file which note meeting location                                  |
| Keep the Milford community informed about Trust plans and outcomes. | Community newsletters following MCT meetings.   | <i>Not achieved</i> | 2      | 2     | 2                   | Copies of Community newsletters  |
| Provide leadership and advocacy on major issues.                    | Number of Milford Community Trust meetings held annually.   | 4                   | 4      | 4     | 4                   | Agenda/minute records on file.   |
| Response to issues raised by the community.                         | Percentage of issues raised at Milford Community Association meetings responded to prior to next meeting. | 100%                | 85%    | 85%   | 85%                 | Copies of Milford Community Association letters/minutes and MCT correspondence in response |
| Milford Community Association meetings                              | To be reported at MCT meetings.   | <i>Not achieved</i> | 4      | 4     | 4                   | Agenda/minutes records on file.  |

## 8. Information to be Reported to Council

In each year the Trust will comply with all reporting requirements under the Local Government Act 2002 (particularly Sections 66 to 69 of that Act). In particular, it will provide:

- A draft Statement of Intent detailing all matters required under the Local Government Act 2002 by 1 March each year for consideration prior to commencement of the new financial year.
- A half yearly report by the end of February each year (specific dates as set by Council).



- An annual report by the end of September each year (specific dates as set by Council).

Copies of the Trust's reports are forwarded to the other major stakeholder authorities, being the Department of Conservation and Environment Southland.

## **9. Activities for which Other Investment is sought**

As usual, it is proposed that the annual concession charged will be increased by 10% plus GST. This will continue to be reviewed annually. For 2017/18, the total amount being sought from concessionaires is \$124,449 excluding GST. Any surplus funds will be held by the Trust in its bank account for future project funding.

Included within the Forecast Expenditure of the Trust is Management and Administration costs of \$29,731.

Allowance for Emergency Response Team (ERT) Plant and Equipment purchase is \$2,500.

Additionally grant expenditure has been included for contributions for;

- A walkway to be developed between the Airport and Deepwater Basin.
- The Emergency Service Provider \$46,920

Funding has also been included towards a potential Community Centre building. This still has to go through a planning process including consideration of ownership of the building. At this stage an allowance of \$110,000 has been included.

The operational and project costs are those which the Milford Community Trust considers will provide benefit for all concessionaires at Milford and should be recovered from the Milford concessionaires through the Implied Concession Activity Fee, apportioned as per the Department of Conservation apportionment of cost schedule. The costs indicated above in the supporting forecasted accounts are funded from the annual implied concession activity fee and monies held.

Future budgeted costs are indicative only and will be reviewed annually by the Trustees.

### Other Project Funding:

In addition to the above operational and project costs, there are also costs associated with other significant projects that fall either directly or indirectly under the influence of the Milford Community Trust but have all or a majority of proposed funding through means other than apportioned implied concessionaires fees. There may also be a portion of public good associated with these projects.

In this Statement of Intent the Trustees are not seeking any funding from Southland District Council or Environment Southland for the activities noted.

## **10. Estimate of Value of Stakeholders Investment**

The net value of the stakeholders investment in the Trust is estimated to be valued at \$100. This value shall be reassessed by the Trustees on completion of the annual accounts or at

any other time determined by the Trustees. The method of assessment will use the value of stakeholders funds as determined in the annual accounts as a guide.

## **11. Other Matters**

No distribution is intended within the period of the Statement or succeeding years, noting the Trust's status as a charitable organisation.

Any subscription for, purchase or otherwise acquiring shares in any company or other organisation requires the prior approval of the Trustees.

**MILFORD COMMUNITY TRUST**  
**PROSPECTIVE FINANCIAL STATEMENTS 2017 - 2020**  
**Prospective Statement of Financial Performance**

| Account Description                        | Actuals<br>2015/2016 | Forecast<br>Actuals<br>2016/2017 | Budget<br>2017/2018     | Budget<br>2018/2019  | Budget<br>2019/2020  |
|--|----------------------|----------------------------------|-------------------------|----------------------|----------------------|
| <b>Income</b>                              |                      |                                  |                         |                      |                      |
| Concessionaires Income                     | 102,849              | 113,135                          | 124,449                 | 136,893              | 150,583              |
| Interest                                   | 2,998                | -                                | -                       | -                    | -                    |
|  | <u>105,847</u>       | <u>113,135</u>                   | <u>124,449</u>          | <u>136,893</u>       | <u>150,583</u>       |
| <b>Expenses</b>                            |                      |                                  |                         |                      |                      |
| <b><u>Management/Administration</u></b>    |                      |                                  |                         |                      |                      |
| Accommodation and Meals                    | 174                  | 800                              | 800                     | 800                  | 800                  |
| Administration                             | 67                   | 67                               | 67                      | 67                   | 67                   |
| Advertising                                | 546                  | 600                              | 600                     | 600                  | 600                  |
| Audit Fees                                 | 4,026                | 5,000                            | 5,000                   | 5,000                | 5,000                |
| Bad Debts                                  | 676                  | -                                | -                       | -                    | -                    |
| Bank Fees                                  | 40                   | 40                               | 40                      | 40                   | 40                   |
| Catering Expenses                          | 116                  | 500                              | 500                     | 500                  | 500                  |
| Chairperson's Fees                         | 4,906                | 5,000                            | 10,000                  | 10,000               | 10,000               |
| Depreciation                               | 657                  | -                                | -                       | -                    | -                    |
| Equipment Write off                        | -                    | 985                              | -                       | -                    | -                    |
| General Projects                           | 499                  | 500                              | 500                     | 500                  | 500                  |
| Mileage                                    | 1,000                | 3,000                            | 3,000                   | 3,000                | 3,000                |
| RNZ Licence                                | 360                  | 370                              | 370                     | 370                  | 370                  |
| Room Hire                                  | 183                  | 300                              | 300                     | 300                  | 300                  |
| Trustees Fees                              | 600                  | 6,000                            | 6,000                   | 6,000                | 6,000                |
| Trustees' Indemnity Insurance              | 2,455                | 2,504                            | 2,554                   | 2,605                | 2,657                |
|  | <u>16,305</u>        | <u>25,666</u>                    | <u>29,731</u>           | <u>29,782</u>        | <u>29,834</u>        |
| <b><u>Grants</u></b>                       |                      |                                  |                         |                      |                      |
| Grant - Emergency Services Provider        | 43,312               | 46,000                           | 46,920                  | 47,858               | 48,816               |
| Grant - Airport to Deepwater Basin Walkway | -                    | -                                | 20,000                  | -                    | -                    |
|  | <u>43,312</u>        | <u>46,000</u>                    | <u>66,920</u>           | <u>47,858</u>        | <u>48,816</u>        |
| <b><u>Operations &amp; Maintenance</u></b> |                      |                                  |                         |                      |                      |
| ERT Plant & Equipment Purchases            | -                    | 2,500                            | 2,500                   | 2,500                | 2,500                |
| Environment Southland - Consent Fees       | -                    | -                                | 15,000                  | 15,000               | 15,000               |
|  | <u>-</u>             | <u>2,500</u>                     | <u>17,500</u>           | <u>17,500</u>        | <u>17,500</u>        |
| <b><u>Project Costs</u></b>                |                      |                                  |                         |                      |                      |
| Project Development and Planning           | -                    | 5,000                            | 5,000                   | 5,000                | 5,000                |
| Cleddau Village Recreation Reserve         | 476                  | 50,113                           | -                       | -                    | -                    |
| Cleddau Village Recreation Building        | -                    | -                                | 110,000                 | -                    | -                    |
| ERT Building                               | -                    | -                                | -                       | -                    | -                    |
|  | <u>476</u>           | <u>55,113</u>                    | <u>115,000</u>          | <u>5,000</u>         | <u>5,000</u>         |
| <b>Total Expenses</b>                      | <u>60,093</u>        | <u>129,279</u>                   | <u>229,151</u>          | <u>100,141</u>       | <u>101,150</u>       |
| <b>Net Operating Surplus/(Deficit)</b>     | <u><b>45,753</b></u> | <u><b>(16,144)</b></u>           | <u><b>(104,703)</b></u> | <u><b>36,753</b></u> | <u><b>49,433</b></u> |

### Prospective Statement of Changes in Equity

|                         | Forecast             |                      | Budget<br>2017/2018 | Budget<br>2018/2019 | Budget<br>2019/2020 |
|-------------------------|----------------------|----------------------|---------------------|---------------------|---------------------|
|                         | Actuals<br>2015/2016 | Actuals<br>2016/2017 |                     |                     |                     |
| Balance at 1 July       | 115,949              | 161,702              | 145,558             | 40,855              | 77,608              |
| Net Surplus / (Deficit) | 45,753               | (16,144)             | (104,703)           | 36,753              | 49,433              |
| Equity at end of year   | <b>161,702</b>       | <b>145,558</b>       | <b>40,855</b>       | <b>77,608</b>       | <b>127,041</b>      |

### Prospective Statement of Financial Position

|                            | Forecast             |                      | Budget<br>2017/2018 | Budget<br>2018/2019 | Budget<br>2019/2020 |
|----------------------------|----------------------|----------------------|---------------------|---------------------|---------------------|
|                            | Actuals<br>2015/2016 | Actuals<br>2016/2017 |                     |                     |                     |
| <b>Equity</b>              |                      |                      |                     |                     |                     |
| Accumulated Funds          | 161,602              | 145,458              | 40,755              | 77,508              | 126,941             |
| Trust Capital              | 100                  | 100                  | 100                 | 100                 | 100                 |
|                            | <b>161,702</b>       | <b>145,558</b>       | <b>40,855</b>       | <b>77,608</b>       | <b>127,041</b>      |
| <b>Represented by:</b>     |                      |                      |                     |                     |                     |
| <b>Current Assets</b>      |                      |                      |                     |                     |                     |
| Accounts Receivable        | 100                  | 100                  | 100                 | 100                 | 100                 |
| Accrued income             | 83                   | -                    | -                   | -                   | -                   |
| Bank Account - 00          | 40,301               | 15,000               | 15,000              | 15,000              | 15,000              |
| Bank Account - 25          | 61,742               | 31,453               | -                   | -                   | -                   |
| Term Deposit               | 70,000               | 110,000              | 36,750              | 73,503              | 122,935             |
| GST                        | -                    | -                    | -                   | -                   | -                   |
| <b>Total Assets</b>        | <b>172,228</b>       | <b>156,553</b>       | <b>51,850</b>       | <b>88,603</b>       | <b>138,036</b>      |
| <b>Non Current Assets</b>  |                      |                      |                     |                     |                     |
| Equipment                  | 985                  | -                    | -                   | -                   | -                   |
| <b>Total Assets</b>        | <b>173,213</b>       | <b>156,553</b>       | <b>51,850</b>       | <b>88,603</b>       | <b>138,036</b>      |
| <b>Current Liabilities</b> |                      |                      |                     |                     |                     |
| Accrued Expenses           | 5,797                | 5,797                | 5,797               | 5,797               | 5,797               |
| Accounts Payable           | 516                  | -                    | -                   | -                   | -                   |
| GST                        | 5,198                | 5,198                | 5,198               | 5,198               | 5,198               |
| <b>Total Liabilities</b>   | <b>11,511</b>        | <b>10,995</b>        | <b>10,995</b>       | <b>10,995</b>       | <b>10,995</b>       |
| <b>Net Assets</b>          | <b>161,702</b>       | <b>145,558</b>       | <b>40,855</b>       | <b>77,608</b>       | <b>127,041</b>      |