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MILFORD COMMUNITY TRUST

FINAL

STATEMENT OF INTENT 2014 - 2017

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 2014 to 30 June 2017. 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.

In terms of the Local Government Act, the Trust is defined as a Council Controlled Organisation reporting to the Southland District Council. 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.

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:

Designation	Name	Term Expires 30 June
Independent Chair	Michael Schuck	2014
Mararoa-Waimea Ward Councillor, ex-officio appointment	Alistair Jukes	2016
Milford Community Association elected representative	Lou Huia	2014
Milford Community appointee	Andrew Welsh	2016
Milford Community appointee	Paul Phelan	2016
Milford Community appointee	Rob Burnell	2015
Milford Community appointee	Natalie Shanks	2015

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 *Piopiotahi* 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

At the time of this statement, the Trust has developed a comprehensive Communications Policy in relation to its activities. Where appropriate, 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 Undertaken

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.

Outputs from the Milford Community Trust activity contribute to the achievement of the principal Outcome 6 of the regional "Our Way Southland" statement, being:

"A treasured environment which we care for and which supports us now and into the future".

Ways in which the Trust's operations can contribute to the principal outcome are as follows:

<i>Intermediate Outcome</i>	<i>Activity's Contribution</i>
6.1 We have an informed community.	Education and promotion is an important function of the Trust.
6.2 We have a healthy, safe and accessible built environment.	The Trust is proactive and has this outcome as one of its cornerstones.
6.3 We have an environment protected from the negative effects of human activities.	The Trust responds to mitigate negative effects of human activities.

Within the over-arching vision and strategic goals, the more specific focus areas for 2014-2017 identified in the 2008 strategic review or carried forward from the previous statement 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.

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

2014/15:

- Facilitate and assist with other organisations for improvements in the public facilities at Deepwater Basin through the Concept Plan for this area, i.e. seek external funding for proposed improvements to Deepwater Basin.
- Working with other organisations to advocate for public toilets and shelter at the airport and completion of the walking track to the Lodge.
- Assist Milford Community Association in the development of the Cleddau Village Recreation Area
- Facilitate on-going development of Milford ERT station including medical support and services.
- Continuation of funding of Emergency Services Provider.
- Assist with the redevelopment of the Bowen Falls walkway.
- Facilitate strategic review with stakeholders.

2015/16:

- Advocate with NZTA for the development of the walking track from the airport to Deepwater Basin Road.
- Facilitate on-going development of Milford ERT station including medical support and services.
- Continue assistance towards purchase of emergency response equipment.
- Promote progressive development of Deepwater Basin area in conjunction with DOC and commercial operators.
- Facilitate and support camping ground facilities with affected organisations on western side of Homer Tunnel.
- Continuation of maintaining beautification and roading issues within the village.
- Continuation of funding of Emergency Services Provider
- Assist Milford Community Association in the on-going development of the Cleddau Village Recreation Area
- Assist with the redevelopment of the Bowen Falls walkway.

2016/17:

- Continue purchase of emergency response equipment.
- Continuation of maintaining beautification and roading issues within the village.
- Continuation of funding of Emergency Services Provider.
- Assist with the redevelopment of the Bowen Falls walkway.

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. Accounting Policies

Reporting Entity -

The Milford Community Trust is a Council Controlled Organisation reporting to the Southland District Council. The Southland District Council's statutory reporting deadlines are:

- Half year report - February each year
- Annual report - September each year

The Financial Statements of the Trust will be prepared in accordance with Generally Accepted Accounting Practice (GAAP) as prescribed by the Institute of Chartered Accountants of New Zealand.

Measurement Base -

The financial statements will be prepared on an historical cost basis.

Particular Accounting Policies -

The following particular accounting policies, which materially affect the measurement of the results and financial position, will be applied:

(a) Goods and Services Tax (GST)

The financial statements are prepared exclusive of Goods and Services Tax (GST) with the exception of receivables and payables, which are stated with GST included.

(b) Accounts Receivable

Accounts receivable are stated at expected realisable value after providing for doubtful and uncollectible debts.

(c) Fixed Assets

Furniture and Fittings, Vehicles, Plant and Land and Buildings are shown at historical cost less provision for depreciation.

(d) Depreciation

Depreciation is provided for on a diminishing value basis for all classes of fixed assets at current IRD rates.

(e) Revenue Recognition

Income is recognised when the services to which these relate give rise to an obligation for recovery or economic benefits are transferred to the Trust. Grants and levies are recognised as revenue to the extent of eligibility for grants established by the grantor agency. Levies in kind are recognised from time contributed during the year.

(f) Employee Entitlements

There are no employees.

(g) Financial Instruments

The Milford Community Trust is party to financial instruments as part of its normal operations. These financial instruments include cash and on-call deposits, accounts receivable, investments, accounts payable, deposits held, other liabilities and financial guarantees.

Revenue and expenditure arising from these financial instruments is recognised in the Statement of Financial Performance.

The financial instruments are recognised in the Statement of Financial Position on the basis of the Milford Community Trust's general and, where applicable, particular accounting policies. All financial instruments disclosed in the Statement of Financial Position are recorded at fair value or cost.

(h) Changes in Accounting Policies

This statement is the first for the Trust so there have been no changes in accounting policies or any previous audited 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
		12/13	13/14	14/15	15/16	
Maintain a structure that facilitates local decision-making.	Hold public forums in Milford each year.	1	1	1	1	Agenda/minute records on file.
Keep the Milford community informed about Trust plans and outcomes.	Community newsletters following each MCT meeting.	1	2	2	2	Agenda/minute records on file.
Provide leadership and advocacy on major issues.	Number of Milford Community Trust meetings held annually.	<i>Not measured</i>	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.	<i>Not measured</i>	85%	85%	85%	Action sheets.
Milford Community Association meetings	To be reported at MCT meetings.	-	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 February each year (specific dates as set by Council).
- An annual report by September each year (specific dates as set by Council).

Copies of Council's reports are forwarded to the other major stakeholder authorities: Department of Conservation and Environment Southland.

9. Activities for which Other Investment is sought

It is proposed that the annual concession charged will be increased by 10% plus GST. This increase covers all cost excluding some of the projects. The initial costs of investigation of reopening the Bowen Falls will be funded by reserves as well as half of the cost of the Cleddau village recreation reserve. This will be reviewed annually. For 2014/15, the total amount being sought from concessionaires is \$107,525, including GST.

Governance costs include a Chairperson's fee, Trustees' fees, mileage allowances if applicable, insurance, and general meeting costs.

Contributions to the Emergency Response Team costs and assets are included above. Operations costs are on a cost share basis. Contributions towards assets will be by way of grant.

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.

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.

Other project funding is planned to be sourced from Department of Conservation, Airport users, Milford Sound Infrastructure, the public, private/commercial sources, Southland District Council and Environment Southland.

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 of a dividend (accumulated profits and capital reserves) to shareholders 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.

Appendix A

**MILFORD COMMUNITY TRUST
PROSPECTIVE FINANCIAL STATEMENTS 2014 - 2017**

Prospective Statement of Financial Performance

Account Description	Forecast		Budget 2014/2015	Budget 2015/2016	Budget 2016/2017
	Actuals 2012/13	Actuals 2013/14			
<u>Income</u>					
Concessionaires Income	58,516	85,000	93,500	102,850	113,135
Interest	1,443	1,400	-	-	-
	<u>59,958</u>	<u>86,400</u>	<u>93,500</u>	<u>102,850</u>	<u>113,135</u>
<u>Expenses</u>					
<u>Management/Administration</u>					
Accommodation and Meals	321	600	600	600	600
Administration	44	44	44	44	44
Advertising	-	3,000	3,000	3,000	3,000
Audit Fees	2,802	5,000	5,000	5,000	5,000
Bank Fees	40	40	40	40	40
Catering Expenses	52	500	500	500	500
Chairperson's Fees	9,661	7,500	10,000	10,000	10,000
General Projects	577	500	500	500	500
Depreciation	3,040	1,824	1,095	656	394
Mileage	2,890	3,000	3,000	3,000	3,000
Radio Tower License	360	360	360	360	360
Room Hire	67	300	300	300	300
Trustees Fees	6,600	6,600	6,600	6,600	6,600
Trustees' Indemnity Insurance	1,720	1,720	1,720	1,720	1,720
	<u>28,176</u>	<u>30,988</u>	<u>32,759</u>	<u>32,320</u>	<u>32,058</u>
<u>Operations & maintenance</u>					
ERT Plant & Equipment Purchases	-	2,500	2,500	2,500	2,500
Cleddau Village Recreation Facilities	-	-	-	20,000	20,000
Stop-bank Maintenance	-	7,500	7,500	7,500	7,500
Roading Maintenance	-	5,000	5,000	5,000	5,000
	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>35,000</u>	<u>35,000</u>
<u>Project Costs</u>					
Project Development and Planning	2,850	5,000	5,000	5,000	5,000
Cleddau Village Recreation Reserve	-	-	20,000	-	-
Bowan Falls	-	-	20,000	-	-
ERT Building	-	79,293	-	-	-
Emergency Services Provider	-	30,000	30,600	31,212	31,836
	<u>2,850</u>	<u>114,293</u>	<u>75,600</u>	<u>36,212</u>	<u>36,836</u>
Total Expenses	<u>31,026</u>	<u>160,281</u>	<u>123,359</u>	<u>103,532</u>	<u>103,894</u>
Net Operating Surplus/(Deficit)	<u>28,933</u>	<u>(73,881)</u>	<u>(29,859)</u>	<u>(682)</u>	<u>9,241</u>

Prospective Statement of Changes in Equity

	Actuals 2012/13	Forecast Actuals 2013/14	Budget 2014/2015	Budget 2015/2016	Budget 2016/2017
Balance at 1 July	108,646	137,579	63,698	33,839	33,157
Net Surplus / (Deficit)	28,933	(73,881)	(29,859)	(682)	9,241
Equity at end of year	<u>137,579</u>	<u>63,698</u>	<u>33,839</u>	<u>33,157</u>	<u>42,397</u>

Prospective Statement of Financial Position

	Actuals 2012/13	Forecast Actuals 2013/14	Budget 2014/2015	Budget 2015/2016	Budget 2016/2017
Equity					
Accumulated Funds	89,249	63,598	33,739	33,057	42,297
Trust Capital	100	100	100	100	100
	<u>89,349</u>	<u>63,698</u>	<u>33,839</u>	<u>33,157</u>	<u>42,397</u>
Represented by:					
Current Assets					
Accounts Receivable	100	100	100	100	100
Bank Account - 00	646	48,538	19,774	19,748	29,383
Bank Account - 25	91,789	20,000	20,000	20,000	20,000
GST	-	-	-	-	-
Total Assets	<u>92,536</u>	<u>68,638</u>	<u>39,874</u>	<u>39,848</u>	<u>49,483</u>
Non Current Assets					
Equipment	4,560	2,736	1,642	985	591
Total Assets	<u>97,096</u>	<u>71,374</u>	<u>41,515</u>	<u>40,833</u>	<u>50,074</u>
Current Liabilities					
Accrued Expenses	4,612	4,612	4,612	4,612	4,612
Accounts Payable	70	-	-	-	-
GST	3,065	3,065	3,065	3,065	3,065
Total Liabilities	<u>7,747</u>	<u>7,677</u>	<u>7,677</u>	<u>7,677</u>	<u>7,677</u>
Net Assets	<u>89,349</u>	<u>63,698</u>	<u>33,839</u>	<u>33,157</u>	<u>42,397</u>