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MILFORD COMMUNITY TRUST

DRAFT STATEMENT OF INTENT 2010 - 2013

For Consultation, March 2010

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 of 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; and
- 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 2010 to 30 June 2013, based on outcomes of a strategic workshop undertaken in November 2008. 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 30th June
Independent Chair	Vacant	
Te Anau Ward Councillor, ex-officio appointment	Diane Ridley	2010
Milford Community Association elected representative	Allan Cosgrove	2010
Milford Community appointee	Andrew Welsh	2012
Milford Community appointee	Paul Phelan	2012
Milford Community appointee	John Robson	2011
Milford Community appointee	Michael Schuck	2011

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

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*.

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 2010-13 identified in the 2008 strategic review or carried forward from the previous statement are:

Planning:

- Prepare an overall Concept Plan for the Trust's vision and involvement in the development of Milford.
- Prepare a Code of Ethics based on the Trust's values for its role.
- Prepare Significant Policy Statements.
- Planning inputs to the Deep Water Basin design concept and to the DOC Hazard Management Plan.
- Planning to address specific issues: highway safety, fuel supply, control of illegal camping, toilet facilities, community facilities, 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 the Concept Plan.

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

2010/11:

- Prepare a set of values, significant policy statements and code of ethics.
- Scope the project to prepare a concept plan for Milford.
- Progress a waste minimisation, recycling and management strategy in conjunction with MSDA and SDC.
- Complete a coordinated emergency response plan for fire, medical, civil defence and other events.
- Facilitate the purchase of emergency response equipment.
- Facilitate refurbishment of the gymnasium.
- Facilitate village improvements in conjunction with flood protection works on the Cleddau River delta area.
- Facilitate improvements in the public facilities at Deep Water Basin.
- Advocate for public toilets and shelter at the airport and completion of the walking track to the Lodge.

2011/12:

- Prepare a first generation Asset Management Plan for infrastructure and services in Milford.
- Arrange a waste recycling trial.
- Plan for capital works improvements resulting from agreed strategies.
- Develop the walking track from the airport to Deepwater Basin Road.
- Continue purchase of emergency response equipment.
- Promote progressive development of Deepwater Basin area.
- Promote initiatives which enhance community wellbeing.
- Promote a natural environment enhancement programme.

2012/13:

- Plan for capital works improvements resulting from agreed strategies.
- Promote development of a community centre in conjunction with the proposed Cleddau village development.
- Promote initiatives to ensure that Milford Sound *Piopiota* maintains its reputation as a sought after tourism icon.
- Promote initiatives which enhance community wellbeing.

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 nor 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 Council Community Plan (LTCCP). 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 LTCCP.
- (b) The second set of are generic internal performance measures:

Level of service	Key performance indicator	Target	Confirmation source
Maintain a structure that facilitates local decision-making.	Hold public forums in Milford each year.	1 ¹	Agenda/minute records on file.
Keep the Milford community informed about Trust plans and outcomes.	Community newsletters (Feb, June, Oct each year).	3	Agenda/minute records on file.
Provide leadership and advocacy on major issues.	Number of Milford Community Trust meetings held annually.	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.	85%	Action sheets.

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.

¹ The public forum meeting is likely to be held in association with November Trust meeting in order to assist with planning for the draft Statement of Intent.

9. Activities for which Investment by Council is sought

The Trust seeks Council funding for undertaking work that will provide leadership and governance in Milford as follows:

Activity Description			
	2010/11	2011/12	2012/13
Chairperson's fee, up to a maximum of:	\$12,339	\$12,339	\$12,339

Note: Council establishment assistance with the Chairperson's fee expires at the end of the current Chair's contract in 2011. Council will provide support staff and resources along the same lines as provided to Council's community boards at no cost to the Trust.

10. Activities for which Other Investment is sought

The Trust seeks funding from Milford concessionaires as follows:

Activity Description			
	2010/11	2011/12	2012/13
Operational Costs:			
Governance Costs	\$32,161	\$32,161	\$32,161
Emergency response operations	\$8,500	\$8,500	\$8,500
Consultant inputs to projects	\$20,000	\$20,000	\$20,000
Emergency response equipment maintenance	\$15,000	\$15,000	\$15,000
Roading Maintenance	\$5,000	-	-
Capital projects:			
Emergency response equipment maintenance	\$10,000	-	-
Landscape design for foreshore carpark area	\$20,000	-	-
Totals	\$110,661	\$75,661	\$75,661

It is proposed that the total annual concession charged will be the average of the three years noted above plus/minus the forecast actual surplus/deficit of the year preceding this plan and allowing for a \$20,000 reserve to be created, plus GST. This will be reviewed annually. For 2010/11, the total amount being sought from concessionaires is \$78,749, including GST.

Governance costs include a local contribution to Chairperson's fees, Trustees' fees, mileage allowances if applicable, insurance, accommodation costs and general meeting costs.

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.

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.

These projects include: Cleddau river flood protection, Cleddau village development, Deepwater Basin redevelopment, waste minimisation and recycling, walking tracks, airport toilets and foreshore redevelopment. Refer Appendix B.

The timing of some of the projects, for example the village development, is dependent on the completion of the flood protection work. Total project estimates and expected timings are shown in Appendix A to this Statement.

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

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

11. 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.

12. 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 2010 - 2013

Propsective Statement of Financial Performance

Account Description	Forecast		Budget 2010/2011	Budget 2011/2012	Budget 2012/2013
	Budget 2009/2010	Actuals 2009/2010			
<u>Income</u>					
Concessionaires Income	95,328	95,328	69,999	69,999	69,999
Environment Southland Funding	-	-	-	-	-
Southland District Council Grant	-	-	-	-	-
Southland District Council Contribution (towards Chairperson's fees)	12,339	841	12,339	12,339	12,339
	<u>107,667</u>	<u>96,169</u>	<u>82,338</u>	<u>82,338</u>	<u>82,338</u>
<u>Expenses</u>					
Trustees' Indemnity Insurance	1,300	1,580	1,600	1,600	1,600
Advertising - Newspaper	-	300	2,000	2,000	2,000
Room Hire	600	225	600	600	600
Printing	-	135	-	-	-
Trustees Fees	15,600	7,200	15,600	15,600	15,600
Mileage	3,000	1,385	3,000	3,000	3,000
Accommodation and Meals	1,000	500	1,000	1,000	1,000
Catering Expenses	1,000	455	1,000	1,000	1,000
Chairperson's Fees	22,000	10,502	22,000	22,000	22,000
Consultants - Project Input	20,000		20,000	20,000	20,000
Emergency Repsonse Operations	8,500		8,500	8,500	8,500
ERO Property Plant & Equipment Mtce			15,000	15,000	15,000
ERO PPE	54,000		10,000	-	-
Landscaping & Walkway	20,000		20,000	-	-
	<u>147,000</u>	<u>22,282</u>	<u>120,300</u>	<u>90,300</u>	<u>90,300</u>
Net Operating Surplus/(Deficit)	<u>(39,333)</u>	<u>73,887</u>	<u>(37,962)</u>	<u>(7,962)</u>	<u>(7,962)</u>

Prospective Statement of Changes in Equity

	Actual 2009/2010	Forecast Actuals 2009/2010	Budget 2010/2011	Budget 2011/2012	Budget 2012/2013
Total Equity at beginning of year	100	100	73,987	36,025	28,063
Net Surplus / (Deficit)	(39,333)	73,887	(37,962)	(7,962)	(7,962)
Trust Capital	-	-	-	-	-
Equity at end of year	<u>(39,233)</u>	<u>73,987</u>	<u>36,025</u>	<u>28,063</u>	<u>20,101</u>

Prospective Statement of Financial Position

	Actual 2009/2010	Forecast Actuals 2009/2010	Budget 2010/2011	Budget 2011/2012	Budget 2012/2013
Equity					
Accumulated Funds	(39,333)	73,887	35,925	27,963	20,001
Trust Capital	100	100	100	100	100
	<u>(39,233)</u>	<u>73,987</u>	<u>36,025</u>	<u>28,063</u>	<u>20,101</u>
Represented by:					
Current Assets					
Accounts Receivable	100	100	100	100	100
Bank Account	(39,333)	73,887	35,925	27,963	20,001
Total Assets	<u>(39,233)</u>	<u>19,654</u>	<u>36,025</u>	<u>28,063</u>	<u>20,101</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets	<u>(39,233)</u>	<u>19,654</u>	<u>36,025</u>	<u>28,063</u>	<u>20,101</u>

Appendix B

MILFORD COMMUNITY TRUST SCHEDULE OF PROPOSED PROJECTS

	Budget 2010/2011	Budget 2011/2012	Budget 2012/2013
CONCESSIONAIRES' FUNDING			
Consultants - Project Input	20,000	20,000	20,000
Emergency Response Operations	8,500	8,500	8,500
ERO Property Plant & Equipment Mtce	15,000	15,000	15,000
ERO PPE	10,000		
Landscaping & Walkway	20,000		
Roading Maintenance	5,000		
	78,500	43,500	43,500
EXTERNAL FUNDING			
Cleddau Protection			
Planning			
Consents			
Construction		5,550,000	
Cleddau Village Development			
Rooding & U/G infrastructure		2,800,000	
Deepwater Basin Redevelopment			
Kayakers ramp/ ablution facilities		600,000	
Overflow parking area		500,000	
Community Centre			
Waste Minimisation & Recycling			
Professional advice			
Recycling trial	7,000		
Facilities establishment		30,000	
Walking Tracks			
Connection to Lodge, 150m			
Airport to Deepwater Rd, 600m	50,000		
Bowen Falls		1,000,000	
Public Toilets			
Airport toilets & shelter	200,000		
Novaloo at car park			100,000
	257,000	10,480,000	100,000
Total Project Costs	335,500	10,523,500	143,500