

The Hauraki Rail Trail Charitable Trust Report - May 2018

The following report outlines the success to date on the deliverables against the action plan provided within the 2017-2018 Business Plan. The Hauraki Rail Trail Charitable Trust has worked extremely hard at all levels in the organisation to provide a positive change of the culture of the Hauraki Rail Trail.

1. Brand/Marketing and Communication

Key Outcome: To grow awareness of the Hauraki Rail Trail brand and to increase the numbers of users (domestic and international) across the length of the Hauraki Rail Trail.

Specific Actions

Task	Specific	Progress
Strategic Partner development	<ol style="list-style-type: none"> NZCT AGM National and Regional Cycle Trail workshops Wider collaboration with key industry partners. 	Ongoing and active engagement
Brand review	<ol style="list-style-type: none"> Brand development Brand guidelines Trademarking 	New brand in place and being rolled out across all marketing material and trail collateral
Develop a marketing and communications strategy	<ol style="list-style-type: none"> General Specific Events, i.e. Official Opening/track extension 	Event specific comms delivered Marketing strategy in development with new resource coming onboard July 2018
Identify business opportunities	<ol style="list-style-type: none"> Support new business development 	Supporting council Econ Dev teams Working with industry to develop packages to grow visitor nights <ul style="list-style-type: none"> Grabone Treatme
Support product development	<ol style="list-style-type: none"> Support development of at least 2 commissionable Trade products 	Jollybikes tour package and Waihi Gold Experience presented at TRENZ 2018 by Destination Coromandel
Promote all legs of the Rail Trail	<ol style="list-style-type: none"> Develop Trail Collateral <ol style="list-style-type: none"> Website development Track maps Location maps Brochures Design costs Prospectus 	Ongoing Achieved Photoshoot Section A/Section D

	g. Tear off maps	
Encourage events	<ol style="list-style-type: none"> 1. Destination Coromandel 2. Hamilton-Waikato 3. Website promotion 	Promotion on website specific area on www.haurakirailtrail.co.nz More work required.
Communicate research data to Trail partners	<ol style="list-style-type: none"> 1. Official partner programme 2. Website/social media channels 3. Via newsletter 	More work required. Newsletter in development
Produce a range of HRT specific retail product to support the development of the Rail Trail	<ol style="list-style-type: none"> 1. Marketing/Retail product development to sell through info centres and official partners/web 	Merchandise on sale throughout network
Concession Programme	<ol style="list-style-type: none"> 1. All cycle hire and touring businesses with a concession 2. All businesses that use the HRT logo with a concession 	Concession programme now replaced by Official Partner Programme
Official Partner Programme	<ol style="list-style-type: none"> 1. 30 Official Partners 2. 4 workshops 3. 3 cluster groups 4. 1 industry rep on HRT Advisory board 	43 Official Partners 5 Sponsored Partners Cluster Groups to be developed 2 industry reps on HRT Advisory Groups

2. Trust Administration and Management

Key Outcome:

To establish a clear set of operating protocols that raises the professionalism of the Trust, while giving confidence to the Councils to continue supporting the Trust and Rail Trail development.

Specific Actions

Task	Specific	Progress
Prioritise and allocate actions	<ol style="list-style-type: none"> 1. Regularly review Trust meeting frequency 2. Develop an action plan and report against it 	<ul style="list-style-type: none"> • Meetings have moved to quarterly in 2018 after a busy period in 2017 as confidence increased. • Action plan is contained in business plans, for both 2017-2018 and approved by settlor councils.
Set up of Trail documentation systems and processes	<ol style="list-style-type: none"> 1. Financial Controls and spending authorities 2. Fraud and Sensitive Expenditure 3. Operational 4. Emergency Plans 	<ul style="list-style-type: none"> • Financial controls reviewed • FY2017 Audit gave a clean bill of health • Full Standard Operational Procedures manual in development
Major project management	<ol style="list-style-type: none"> 1. Develop specific plans and tasks with delegated RASCI for major project tasks 	<ul style="list-style-type: none"> • \$6.8m extension project implementation plan in development
Prepare and manage annual plans and budgets	<ol style="list-style-type: none"> 1. Prepare annual plans and budgets. 2. Incorporate feedback from councils 3. Finalise at August AGM 	<ul style="list-style-type: none"> • 1 year budget in play, and reviewed in Feb 2018 by HRTCT • See attached YTD March 2018
Prepare and manage Long Term Plans and budgets	<ol style="list-style-type: none"> 1. Prepare Long Term Plans and budgets 	<ul style="list-style-type: none"> • 3 year budgets and plans developed and approved by Councils
Information Management	<ol style="list-style-type: none"> 1. Establish and maintain information management systems 2. Ensure security of confidential documentation 3. Ensure all electronic documentation is regularly backed-up and secure 	<ul style="list-style-type: none"> • Ongoing

Reporting	Meet all reporting requirements for 1. Audit NZ 2. Settlor Councils 3. Charities Office 4. NZCT	<ul style="list-style-type: none"> • Ongoing and current
Establish an ongoing review process for Trail documentation	1. Identify list of key documentation including <ul style="list-style-type: none"> a. Trust Deed b. Financial documents c. Management Agreement(s) d. Underwriting Agreement e. CCO Exemptions f. Asset Register g. Asset Maintenance h. HSE and Emergency Plans i. NZCT 	<ul style="list-style-type: none"> • Ongoing • Trust Deed under review, will be with councils in July 2018 for feedback • Changed Accountancy services Jan 2018 • Management agreement signed • Underwriting agreement signed • CCO exemptions in place until 2020 • Asset Register for Trust assets in place • Trail maintenance sitting with HDC • HSE and Emergency Plans require review •
Recognition of Success	1. Identify items at Trust and Stakeholder meetings and communicate accordingly via newsletters, websites and/ or press releases.	<ul style="list-style-type: none"> • Ongoing

3. Trail Operation

Key Outcomes: Maintenance of the Rail Trail to a grade one standard as outlined in the NZCT Nga Haerenga Cycle Trail Design Guide

Specific Actions

Task	Specific	Progress
<p>As per the management agreement variation advice dated 30 August 2016 and in conjunction with the Asset managers, the responsibility for Asset Management currently sits with HDC.</p>	<ol style="list-style-type: none"> 1. The Rail Trail is maintained to grade one standard by <ol style="list-style-type: none"> a. Biannual inspections of no less than 10km of the trail b. Develop condition assessment criteria and methodology 2. Implement and maintain a Health and Safety Plan for routine maintenance work 3. Implement and maintain an Asset Management plan for the Rail Trail assets 4. Prepare annual and forward routine maintenance budgets 5. Undertake track grading inspections with NZCT as and when required 6. Manage and maintain the Kiwirail lease in accordance with the requirements of the lease agreement dated April 2011 and any updates or amendments thereof 7. Manage and maintain all leases with private landowners in accordance with the requirements of each individual lease agreement 8. Maintain the resource consents for the Rail Trail operation and adhere to the resource consent requirements regarding the physical assets 9. Communicate with adjacent landowners as and when required in relation to routine maintenance works 10. Managing the Rail Trail during weather events. This includes closing the Rail Trail as required and reopening following inspections and any routine emergency repair works required to make the track safe 11. Responding to any service requests relating to track safety or routine 	<ul style="list-style-type: none"> • Achieved • New asset management software to be purchased by Trust June 2018.

	maintenance	
Prepare and submit the Trail Warrant of Fitness as required by NZCT	Significant improvement in rating from 67% (May 2017)	<ul style="list-style-type: none"> • Due to be completed May 2018
Implement the signage strategy over the entire length of the Rail Trail	<ol style="list-style-type: none"> 1. Ensure signage is 100% consistent signage strategy 2. Raise funds for implementation of signage. 	<ul style="list-style-type: none"> • \$60,000 of signage being installed on trail by July 2018 • Funds raised through partnerships and MBIE sources
Official opening of Pūkoro-koro-Miranda to Kopu section of the Rail Trail	<ol style="list-style-type: none"> 1. Oversee and support the official opening of Pūkoro-koro-Miranda to Kopu section of the Rail Trail prior to Labour weekend 2017 	<ul style="list-style-type: none"> • Opened November 2018 • Delayed due to weather event
Support the commitment to full build of the Rail Trail from Kaiaua to Matamata	<ol style="list-style-type: none"> 1. Business plan development 2. Funding applications 	<ul style="list-style-type: none"> • Funding application successful • Project Implementation Plan in development

4. Quality Assurance and Data Collection

Key Outcomes:

- Accurate and timely trail usage data.
- Valid visitor survey data providing information on the quality of visitor experience.
- To ensure compliance by the Rail Trail of critical standards such as brand usage and membership criteria.

Specific Actions

Task	Specific	Outcomes
Maintenance	<ol style="list-style-type: none">1. Monitor Social media feedback and report known issues to the Service Department2. Join the inspection rides of the Rail Trail3. Take the lead on funding applications to the MGR Fund	<ul style="list-style-type: none">• Ongoing•
NZCT Membership	<ol style="list-style-type: none">1. Ensure all reporting and membership requirements are met:<ol style="list-style-type: none">a. Reporting on:b. - visitor numbersc. - regular newslettersd. - Attendance at NZCT events2. Hosting NZCT personnel as required.	<ul style="list-style-type: none">• Ongoing and up to date• Work needed on newsletters

5. Stakeholder Relationships and Communications

Key Outcome: To create the Hauraki Rail Trail community of engaged businesses that support the Trust in taking the Rail Trail from good to great.

Specific Actions

Task	Specific	Outcomes
1. Improve communications, access to and transparency of information to stakeholders at all levels	<ol style="list-style-type: none"> 1. Develop a communications plan in conjunction with the Settlor councils staff 2. Create portals on the website for central document collation 	<ul style="list-style-type: none"> • Ongoing
2. Monthly stakeholder newsletters	<ol style="list-style-type: none"> 1. Mailchimp on website, and regular mail-outs to key partners 	<ul style="list-style-type: none"> • Newsletters need development • Meeting scheduled with website developer May 2018
3. Manage updates (i.e. track closures)	<ol style="list-style-type: none"> 1. Updates through social media and other partners 	<ul style="list-style-type: none"> • Ongoing and current via website/NZCT/other partners
4. Roll out the official Rail Trail website	<ol style="list-style-type: none"> 1. July 2017 then ongoing 	<ul style="list-style-type: none"> • Tranche one completed
5. HRT Advisory Group meetings	<ol style="list-style-type: none"> 1. Attendance and support 	<ul style="list-style-type: none"> • Ongoing
6. Chairperson to meet with Mayor/Council on a six-monthly basis	<ol style="list-style-type: none"> 1. Strategic discussion on progress and future direction 	<ul style="list-style-type: none"> • Now in place, and working well
7. Regular progress report to CEO's of councils after each board meeting	<ol style="list-style-type: none"> 1. Provide quarterly report 	<ul style="list-style-type: none"> • Now in place
8. Continue to build iwi relationships	<ol style="list-style-type: none"> 1. Ensure kaupapa Māori protocols are respected and relationships are fostered 	<ul style="list-style-type: none"> • Ongoing and functioning
9. Stakeholder database	<ol style="list-style-type: none"> 1. Compile and maintain for variety of purpose, i.e. media, leaseholders, businesses, etc 	<ul style="list-style-type: none"> • Ongoing and used often
10. Maintain relationship with Department of Conservation	<ol style="list-style-type: none"> 1. Attendance at DoC initiatives and community meetings 2. Maintain reporting on funding commitments 	<ul style="list-style-type: none"> • Ongoing
11. Develop and maintain relationship with NZCT network partners and MBIE, NZTA, WRC	<ol style="list-style-type: none"> 1. Attendance at NZCT partner workshops where appropriate 2. Support of others in the network 	<ul style="list-style-type: none"> • Ongoing
12. Community group	<ol style="list-style-type: none"> 1. Speaker at group meetings 	<ul style="list-style-type: none"> • Ongoing

relationships	<ol style="list-style-type: none"> 2. Support funding initiatives i.e. HELP Waihi 3. Leverage from initiatives where possible 	
13. Develop and enhance relationship with local information centres	<ol style="list-style-type: none"> 1. Use information network as referral point for booking enquiries 	<ul style="list-style-type: none"> • Ongoing, and highlighted on website as main booking source
14. Enhance relationship with Regional Tourism Organisations (Destination Coromandel and Hamilton/Waikato Tourism	<ol style="list-style-type: none"> 1. Include in HRT advisory group 2. Support product development 	<ul style="list-style-type: none"> • Ongoing and strong relationships in place

6. Funding

Key Outcome:

The Trust secures at least three major partners by the end of FY2018 and is generating over \$50,000 of cash or in-kind product/services.

Specific Actions:

Task	Specific	Outcomes
1. Corporate Sponsorship	<ol style="list-style-type: none"> 1. Identify potential corporate sponsors 2. Develop sponsorship proposals that match client profiles 	Major Partners 3,000 KTD Engineering 3,000 HG Leach 2,500 Pedlars Motel 10,000 More FM 14,000 PIH (2015) Ltd
2. Establish strong credibility and professionalism that attracts support from financial funding partners.	<ol style="list-style-type: none"> 1. Manage strong brand image and ensure compliance 	<ul style="list-style-type: none"> • Successful MGR funding applications on behalf of TCDC, HDC and HRTCT for improvements on the Rail Trail.
3. Engage the services of a funding specialist to give capability and capacity during its transition period.	<ol style="list-style-type: none"> 1. Identify targeting funding needs to grow capacity and capability 	<ul style="list-style-type: none"> • Plan in place for FY2019 as strategy work is completed
4. Leverage off economies of scale in purchasing products and services that are common across the NZCT network.	<ol style="list-style-type: none"> 1. Identify commonality of products within the network 	<ul style="list-style-type: none"> • Dialogue underway with WRC partners
5. Raise \$1.2 million to complete the Kaiaua to Kūporoporo/Miranda section	<ol style="list-style-type: none"> 1. Support Settlor councils with grant applications to MBIE and local politicians 	<ul style="list-style-type: none"> • Successful
6. Raise \$4.8 million to construct the Te Aroha to Matamata section of the Rail Trail	<ol style="list-style-type: none"> 1. Support Settlor councils with grant applications to MBIE and local politicians 	<ul style="list-style-type: none"> • Successful

Financial Report

The financials attached are for the period 1 July 2017 to 31 March 2018. The Trustees reviewed its budget in February 2018, and these financials are compared to that decision. Underspends in the wage and salary budgets were redirected to strategic planning, with contractors now engaged on Signage and also a Beautification (ecology) strategy. The Trust has been limited in its ability to source funding from outside funding sources until it had a clear direction on what was required to bring the entire trail length from good to great rather than adhoc applications as has occurred in the past.

Hauraki Rail Trail Charitable Trust moved its accounts to Coombes Accounts in January 2018. The significant change in the presentation of the accounts is that the codes now relate directly to the underwriting agreement signed by the three settlor councils in May 2018.

The Trust has a strong cash position at this point in time, as the underwriting from the 3 councils was sent to councils in March 2018.

It is expected that large expenditure in the form of KiwiRail Invoices, signage expenses and other strategic overheads will have occurred prior to the end of the financial year which will reduce this cash position significantly.

Profit and loss

Hauraki Rail Trail Charitable Trust

Accrual mode

01 Jul 2017 - 31 Mar 2018

		Total		
	Actual	Budget	Var \$	
Income				
Grants - Trail Enhancements		0	0	
Merchandise Sales	2,283	2,283	0	
Official Partners Programme	40,826	35,326	5,500	
Underwriting	319,020	319,020	0	
Total Income	362,129	356,629	5,500	
Less Cost of Sales				
Lease Reimbursement				
Retail Stock		95	-95	
Total Cost of Sales	0	95	-95	
Gross Surplus	362,129	356,534	5,595	
Less Expenses				
Admin - ACC Levies	-61	-61	0	
Admin - Communications & Telephone	1,232	1,233	-2	
Admin - Contractor Admin Support	435	500	-65	
Admin - Insurance	1,425	1,487	-62	
Admin - KiwiSaver expense	2,626	2,494	132	
Admin - Lease Administration	12,118	12,118	0	
Admin - Motor vehicle expenses	3,904	3,905	-1	
Admin - Office supplies	256	256	0	
Admin - Postage & courier	277	277	0	
Admin - Printing & stationery	3,215	2,723	492	
Admin - Professional Services - Legal	5,437	5,100	337	
Admin - Rent	14,000	14,000	0	
Admin - Stakeholder Engagement	2,273	2,180	93	
Admin - Travel & accommodation	2,691	2,691	0	
Admin - Wages & salaries	87,539	96,462	-8,923	
Finance - Accounting Fees	1,800	1,800	0	
Finance - Bank charges	141	143	-2	
Finance - Depreciation	604	906	-302	
Finance - Fees & Commissions	274	273	1	
Governance - NZCT Membership	2,500	2,500	0	
Governance - Trustee Expenses	965	990	-25	
Governance - Trustee Honorarium	7,355	7,438	-83	
Marketing - Advertising	5,575	5,575	0	
Marketing - Grand Opening	18,978	18,978	0	
Marketing - Promotional Material	6,906	6,905	1	
Marketing - Trail Collateral	4,016	4,176	-160	
Marketing - Website Development	1,837	1,837	0	
Repairs & Maintenance		209	-209	
Routine Maintenance - Strategic Contract	22,279	20,000	2,279	
Total Expenses	210,596	217,095	-6,499	
Net Surplus	151,533	139,439	12,094	

Balance Sheet

Hauraki Rail Trail Charitable Trust

Accrual mode

31 Mar 2018

	Total
Assets	
Current Assets	
Accounts receivable	133,976
Westpac - Current - 00	102,396
Westpac - Current - 01	28,020
Total Current Assets	264,392
Fixed Assets	
Acc Dep - Furniture and Fitting	-1,208
Furniture & fittings	6,041
Office equipment & computers	3,969
Total Fixed Assets	8,802
Total Assets	273,194
Liabilities	
Current Liabilities	
Accounts payable	46,221
Annual leave payable	3,572
GST collected	142,250
GST input tax adjustment	-11,214
GST paid	-111,644
Income in Advance	17,598
KiwiSaver payable	3,222
PAYE withholdings payable	610
Salary Liability	5,936
Total Current Liabilities	96,551
Long Term Liabilities	
Total Long Term Liabilities	0
Total Liabilities	96,551
Net Assets	176,643
Equity	
Current year earnings	151,533
Retained earnings	25,110
Total Equity	176,643