



**Rod Donald Banks Peninsula Trust**  
**Te Pātaka o Rākaihautū**

**Statement of intent**

**For the year**  
**1 July 2018 - 30 June 2019**

## Rod Donald Banks Peninsula Trust Contact Details

Registered office Christchurch City Council, 53 Hereford Street, Christchurch  
Postal Address: P.O. Box 5, Little River, Banks Peninsula 7591  
Email: manager@roddonaldtrust.co.nz  
Phone 03-3047733  
Physical Address: c/o DJCA, Level 3, 50 Victoria Street, Christchurch 8013

## Current Trustees

Simon Mortlock  
PO Box 13 474  
Christchurch 8141

Bob Webster  
20 Hyndhope Road  
Halswell 8025

Andrew Turner  
PO Box 209  
Lyttelton 8841

Christine Williams<sup>1</sup>  
49a Studholme Street  
Somerfield  
Christchurch 8024

Cynthia Roberts<sup>1</sup>  
PO Box 17-727  
Sumner 8840

Richard Suggate  
16 Whero Avenue  
Diamond Harbour  
RD1 Lyttelton 8971

Bryan Storey  
36 Bay View Road  
Moncks Bay  
Christchurch 8081

Maureen McCloy<sup>2</sup>  
7 Victoria Park Road  
Cashmere  
Christchurch

Paul McNoe<sup>2</sup>  
2 Petworth Place  
Westmorland  
Christchurch 8025

---

<sup>1</sup> The terms of Christine Williams and Cynthia Roberts expire on June 30, 2018. Christine Williams has signalled her intention to retire, and Cynthia Roberts her intention to continue. The Trust does not intend to carry out a recruitment process this year, but will recommend to Council that Cynthia Roberts is reappointed for a further year, and one of the co-opted Trustees appointed by Council. A separate report will be sent to the Council before the final SOI is submitted.

<sup>2</sup> Co-opted Trustee

## Executive summary

The Rod Donald Banks Peninsula Trust exists for the benefit of the present and future inhabitants of Banks Peninsula and for its visitors. It has broad objectives of sustainable management, and the protection, preservation and enhancement of the environment, recreation, culture and heritage. The Trust is a Christchurch City Council controlled organisation and presents its goals and performance measures for 2018-19 to the Council in this Statement of Intent.

*The nature and scope of activities planned for the next three years:*

- Taking a leadership role to secure and extend public walking and biking **access** on a network of well-marked and managed tracks;
- Taking a support role to secure and enhance areas of native **biodiversity**;
- Taking a leadership role in the dissemination of **knowledge** with regard to public walking access and a support role with regard to biodiversity, culture and heritage;
- Working in **partnership** with statutory and community bodies as appropriate.

*Activities planned build on existing projects and relationships and include:*

- securing access on Te Ara Pātaka upland tramping track connecting Lyttelton and Akaroa craters, developing maps and shelters, and eventually extending it to connect Christchurch to Akaroa and loop back to SH75 via the Southern Bays;
- managing, maintaining and developing the Trust's existing assets including Rod Donald Hut, a suite of walking information products and the annual Banks Peninsula Walking Festival;
- completing the Trust's Woodhills South project securing access, and on-selling the land held at Akaroa;
- supporting development of the Head to Head walkway around Lyttelton Harbour/Whakaraupō;
- developing accommodation on Quail Island/Ōtamahua jointly with the Department of Conservation;
- supporting Banks Peninsula Conservation Trust and its vision to create a pest free Banks Peninsula;
- developing more walking and biking opportunities from Little River;
- working with CCC to improve signage, waymarking and maintenance of peri-urban tracks around Akaroa, Diamond Harbour and Lyttelton settlements
- working with CCC to develop walking linkage plans including use of Unformed Legal Roads and through the proposed Natural Heritage Strategy
- Investigating an ongoing entity to advocate for Banks Peninsula trails/Te Ara Pātaka, support agencies and develop an associated volunteer network.

The Trust regards securing public access as the most significant long-term legacy it can achieve with its funds, noting that this has often coincided with securing land for biodiversity protection. This is a unique point of difference from other organisations working on Banks Peninsula. The Trust's independence and capital base give it the ability to secure opportunities as they become available and to work more flexibly and rapidly than most government bodies. The CCC Public Open Space Strategy, currently under revision, provides a framework for the Trust's walking and biking strategy.

To date the Trust has operated on the premise that it will distribute its initial capital of \$3.5 million on projects. The Trust signals that it expects to fully deplete the bulk of its capital completing the projects listed above. During the period of this Statement of Intent, the Trust will work toward securing the long-term future of its assets with other bodies and aim to replenish its own funds through building relationships with other bodies and otherwise generating income.

## Contents

1	Introduction.....	1
2	Objectives .....	1
3	Governance statement.....	1
3.1	Guiding Principles .....	1
3.2	Responsibility to the Christchurch City Council.....	2
3.3	Subsidiary and Monitored Companies .....	2
3.4	Financial Results .....	2
3.5	Distributions .....	2
4	Nature and Scope of Activities .....	3
5	Performance targets and measures .....	4
5.1	Non-financial performance targets .....	4
5.2	Financial performance targets .....	5
6	General matters.....	6
6.1	Information to be provided to the Christchurch City Council .....	6
6.2	Accounting policies.....	6
6.3	Acquisition of shares in any company .....	6
6.4	Ratio of consolidated Trust funds to total assets.....	6
6.5	Estimate of distributions of accumulated profits and capital reserves.....	6
6.6	Commercial value of the investment .....	6
6.7	Activities for which compensation is sought from any local authority .....	6
Appendix A.	Trust objectives .....	7
Appendix B.	Trust’s area of interest .....	9
Appendix C.	Summary of Significant Accounting policies.....	10
Appendix D.	Investment Strategy .....	12
D.1	Investment Principles .....	12
D.2	Available Funds.....	13
D.3	Methods to achieve principles .....	13
Appendix E.	Project detail .....	14
E.1	Te Ara Pātaka (Summit Walkway) .....	14
E.2	Rod Donald Hut .....	14
E.3	Walking information products .....	14
E.4	Protecting access on Woodills track at Akaroa .....	14
E.5	Developing tramping accommodation on Quail Island.....	14
E.6	Supporting Head to Head walkway in Lyttelton Harbour .....	15
E.7	Grant funding partner organisations.....	15
E.8	Continued support for Banks Peninsula Walking Festival.....	15
E.9	Developing new walking/biking opportunities around Little River.....	15
E.10	Supporting the Banks Peninsula Predator-and Pest Free initiatives .....	15
E.11	Building relationships .....	15

# 1 Introduction

Rod Donald Banks Peninsula Trust (RDBPT, the Trust) is a Council Controlled Organisation (CCO) as defined in the Local Government Act 2002 (LGA), and is a Trust for charitable purposes. It is governed by Trustees, the majority of whom are appointed by Christchurch City Council (CCC, the Council).

The negotiation and determination of a Statement of Intent (SOI) is a public and legally required record of the accountability relationship between the Trust and the Council.

This SOI is prepared in accordance with Section 64(1) of the LGA. It sets out the objectives, governance, nature and scope of activities, and targets and performance measures.

The SOI is reviewed annually by the Council and covers a three-year period.

## 2 Objectives

RDBPT exists for the benefit of the present and future inhabitants of Banks Peninsula and for visitors to Banks Peninsula.

Its founding deed gives it a wide set of objectives of sustainable management, and the protection, preservation and enhancement of the environment, recreation, culture and heritage. The objectives are listed in full in Appendix A.

The RDBPT has crystallised its wide objectives into four key pillars; **Access, Biodiversity, Knowledge and Partnership**. These pillars are used as criteria to select and assess projects and underpin day-to-day work.

In pursuing the objectives of the RDBPT, the Trustees are required to have regard to:

- a) the views of Te Hapū o Ngāti Wheke (Rāpaki), Te Rūnanga o Koukourārata, Wairewa Rūnanga, Te Taumutu Rūnanga and Ōnuku Rūnanga in respect to the value of Banks Peninsula's Mana Whenua, Mana Moana and Mana Tangata ;
- b) the potential for alignment between the activities of the Trust and any existing or future projects or initiatives of the Council;
- c) whether other sources of funding or support are available, including assistance provided through industry or regional development policies and programmes of local authorities or central government;
- d) the objectives, roles and activities of any other organisation engaged in similar activities on Banks Peninsula.

## 3 Governance statement

RDBPT is governed by up to nine Trustees, with up to seven Trustees appointed by the Council. The Trustees manage the affairs of RDBPT in accordance with their legal obligations, the objectives of the Trust and the terms of the RDBPT Trust Deed.

### 3.1 Guiding Principles

The Trustees' decisions reflect the following values:

- Leading - the RDBPT is a trusted and credible body making unique and courageous decisions and instigating projects
- Linking - the RDBPT focusses on the big picture issues of Banks Peninsula and links people and projects supporting their passion for Banks Peninsula.

- Enhancing - the RDBPT works as an entrusted steward/guardian enhancing the historic work of previous generations
- Enduring - The funds and work of the Trust are to be used to create an enduring legacy for Banks Peninsula.

In furthering these values, RDBPT adheres to the following principles:

- Respecting and engaging with the Banks Peninsula communities
- Building high-trust relationships
- Transparency between partners
- No surprises, full disclosure
- Behaving in an ethical manner
- Being formal in its processes – with agreements documented and approved
- Assessing and measuring all its projects against its four pillars of access, biodiversity, knowledge and partnership
- Keeping the public and the Council informed through its website and annual newsletter.

The Trust has developed a Walking and Cycling Strategy to more specifically guide its decision making on access projects. The CCC Public Open Space Strategy provided a guiding framework for the Trust's Strategy. The Trust anticipates working closely with the Council regarding the walking and biking framework for Banks Peninsula as the Public Open Space Strategy is reviewed.

### **3.2 Responsibility to the Christchurch City Council**

In accordance with the LGA, the RDBPT will submit an annual SOI to the Council for consultation and approval. The SOI sets out the Trust's objectives, intentions and performance targets.

The Trustees will ensure that the Council is informed of all major developments affecting the Trust's state of affairs. Information will be communicated to the Council by the RDBPT through the annual report and the half-yearly report.

The Trust will endeavour to operate on a 'no surprises' basis for all issues of relevance to the Council. Early notice will be given to the Council of issues requiring its consent.

### **3.3 Subsidiary and Monitored Companies**

The RDBPT has no investments in other companies.

### **3.4 Financial Results**

The Trustees will receive and review the RDBPT's financial and other reports regularly, and will provide financial statements to the Council on a 6-monthly basis.

### **3.5 Distributions**

RDBPT developed an investment policy in 2012 based on the eventual distribution of its entire capital fund and signalled then that the rate and method of this distribution would depend on the opportunities arising that matched the objectives. At the end of the seven year period (July 2010 -June 2017), RDBPT has distributed 25% of its opening funds.

RDBPT signals that in completing its current projects the Trust is likely to deplete its capital below the level where it can operate and its desire to work with the Council and other parties to replenish the funds.

## 4 Nature and Scope of Activities

RDBPT was named to honour the memory of former MP Rod Donald and his commitment to Banks Peninsula. The Trust's hallmark has been entrepreneurship and practical achievement, important values to Rod Donald. The RDBPT has and will continue to manage its funds well and use them to achieve outcomes that individual groups and projects cannot achieve on their own.

RDBPT has identified securing public walking access as the most important enduring legacy for Banks Peninsula, and the one which it is uniquely positioned to progress. The Trust's independence and its capital base give it the ability to work more flexibly and rapidly to secure opportunities as they become available than many government bodies.

Access is often achieved in conjunction with protecting native biodiversity, developing well-marked tracks, providing public information, and always with partner participation.

Over the next three years RDBPT intends to continue carrying out activities of the following nature and scope:

- Taking a leadership role to secure and extend public walking and biking **access** on a network of well-marked and managed tracks;
- Taking a support role to assist others to secure and enhance areas of native **biodiversity**;
- Taking a leadership role in the dissemination of **knowledge** with regard to public walking access and a support role with regard to biodiversity, culture and heritage
- Working in **partnership** with statutory and community bodies as appropriate on all of its projects.

The activities planned over the next three years aim to complete and further the projects RDBPT has in progress or has adopted. The majority of the costs associated with these projects are likely to be incurred through securing public access over private land. As this relies on negotiations with willing land-owners, there may be considerable variance in costs and timeframes from the targets in this SOI.

In anticipation that the Trust will at some point fully deplete its capital, it will look to find long-term solutions to the ownership and management of its assets, and work to replenish its capital through a closer relationship with the Council, and with other parties.

RDBPT's current projects, and those to which funds have already been pledged, include:

- Te Ara Pātaka (Summit Walkway),
- Rod Donald Hut
- Walking information products
- Protecting access on Woodills track at Akaroa
- Developing tramping accommodation on Quail Island
- Supporting the Head to Head walkway in Lyttelton Harbour
- Funding partner organisations through grants
- Supporting the Banks Peninsula Predator and Pest Free initiatives
- Banks Peninsula Walking Festival
- Developing new walking and biking opportunities around Little River

Further information on these projects is in Appendix E.

## 5 Performance targets and measures

### 5.1 Non-financial performance targets

This section lists the Trust's non-financial key performance indicators, and the anticipated achievements in the 2018/19 year.

<b>Indicator 1.</b>	<b><i>The Trust has determined four key pillars on which its projects will be based; Access, Biodiversity, Knowledge, and Partnerships.</i></b>
	Assess potential projects brought to the Trust's attention against these four pillars to determine whether they should be added as a Trust project, and action those that are deemed a priority
	Make submissions to relevant policy documents in support of the pillars.
<b>Indicator 2.</b>	<b><i>Provide leadership and tangible support for the projects achieving Access</i></b>
	Progress Te Ara Pātaka through securing public access and adding user facilities, including continued management of Rod Donald Hut and development of a long-term plan for assets.
	Support the improvement and development of other walking and biking opportunities on well maintained and managed tracks.
	Sell the property containing Woodills South track after a public walking easement has been secured.
<b>Indicator 3.</b>	<b><i>Provide tangible support for biodiversity</i></b>
	Secure a conservation covenant on the regenerating forest on the Woodills South track property prior to its sale.
	Continue support for the Banks Peninsula Conservation Trust and other groups involved with biodiversity protection and enhancement.
	Participate in the Banks Peninsula Pest free initiatives
	Look to achieve biodiversity corridors and gains when securing land for Access.
<b>Indicator 4.</b>	<b><i>Provide tangible support for projects building the Knowledge pillar, and leadership around walking access knowledge.</i></b>
	Keep the Trust's map, brochure and web products updated, develop another brochure for Lyttelton Harbour /Whakaraupō and work on a long-term strategy for their ownership.
	Work with others including the Department of Conservation and Christchurch City Council to share and disseminate information about Banks Peninsula.
	Lead the Banks Peninsula walking festival
<b>Indicator 5. Provide tangible support for and work with a range of partners</b>	
	Inform the public and relevant interest groups about on-going activities and progress of the Trust
	Identify other bodies which have funds available for projects aligned with the objectives of the RDBPT, develop strategic relationships with these bodies with the aim of a 4:1 leverage on Trust capital where possible.



## 5.2 Financial performance targets

The financial performance targets for the Trust are as follows

	2018/19	2019/20	2020/21
<b>Operating Surplus</b>			
Revenue <sup>1</sup>	\$313,358	\$61,081	\$48,623
Trust Management <sup>2</sup>	-\$90,882	-\$92,700	-\$94,554
Operating costs <sup>3</sup>	-\$55,744	-\$56,859	-\$57,996
Minor projects <sup>4</sup>	-\$3,148	-\$3,211	-\$3,275
Commitments to partners <sup>5</sup>	-\$20,000	-\$20,400	-\$20,808
<b>Operating Surplus/(Deficit)</b>	<b>\$143,584</b>	<b>-\$112,088</b>	<b>-\$128,010</b>
<b>Trusts Funds</b>			
Opening funds <sup>6</sup>	\$2,193,649	\$2,045,233	\$1,218,145
Operating Surplus/(Deficit)	\$143,584	-\$112,088	-\$128,010
Strategic grants and project expenditure <sup>7</sup>	-\$292,000	-\$715,000	-\$515,000
<b>Closing balance</b>	<b>\$2,045,233</b>	<b>\$1,218,145</b>	<b>\$575,135</b>

<sup>1</sup> Revenue is made up of interest income plus sales and additionally in 2018/19 the Trust expects to sell its land holding at 168 Grehan Valley Road for at least \$250,000.. The revenue is calculated using a flat interest rate of 3% across all the Trust investments.

<sup>2</sup> Reflects the cost of the current management contract with Peninsula Projects, providing the Trust's operational management service. Note this provides for an annual rollover subject to any renegotiation.

<sup>3</sup> Operational costs include accountancy, insurance, audit fees, meeting costs, web hosting and the cost of goods sold.

<sup>4</sup> Minor projects are those such as advocacy work or web development

<sup>5</sup> Includes continued grants to Banks Peninsula Conservation Trust and Orton Bradley Park. .

<sup>6</sup> Opening funds for 2018/19 reflect the remaining amount of the Trust's original liquid capital. It is a forecast based on an estimate of the sum of the Trust's bank balance, receivables, and term deposits less payables as at 30 June 2018. It does not include the capital assets that the Trust has built up.

<sup>7</sup> The heading Strategic grants and project expenditure is used for funds to be spent on projects that leave an enduring legacy. RDBPT prefers not to own the end capital asset created where possible, so these funds may be used to purchase land or other assets on behalf of others. The pattern of spending shown is based on achieving public access on Te Ara Pātaka and other projects progressing toward an optimal timetable., but will dependent on appropriate opportunities presenting and the progress of negotiations and is likely to vary.

<sup>8</sup> The Trust has shown its total commitments for the three year period ending 30 June 2021 and this is reflected in the forecast closing balance figures. There are no commitments beyond this period.

The Trustees will report financial results as set out below in the 'Information to be provided to Council' section.

## **6 General matters**

### **6.1 Information to be provided to the Christchurch City Council**

The RDBPT will provide an annual Statement of Intent and a half-yearly report to the Council in accordance with Section 64(1) of the LGA.

The RDBPT will provide an annual report including audited financial and performance statements in accordance with Section 67 of the LGA.

The RDBPT will provide an Information and Records Management Strategy meeting its obligations under the Public Records Act 2005 including archiving its records with the support of the Council staff.

A separate annual newsletter will provide more information about the Trust's projects and will include any other information the Trustees consider appropriate.

The RDBPT will provide its annual report and newsletter to the Banks Peninsula Community Board for their information and, if invited by the Community Board, will attend an annual workshop to discuss its activities and the respective Board activities. If called on by the Council it will hold up to two additional meetings per year with Community Board representatives.

### **6.2 Accounting policies**

The current accounting policies are attached to this SOI in Appendix C.

The financial statements are prepared on the basis of historical cost, except for the revaluation of certain non-current assets.

### **6.3 Acquisition of shares in any company**

RDBPT will notify the Council before acquiring securities or debt shares in any company.

### **6.4 Ratio of consolidated Trust funds to total assets**

RDBPT's funds are equal its total assets.

### **6.5 Estimate of distributions of accumulated profits and capital reserves**

The Trustees will explore options to attract funds from other sources to grow the trust fund and/or to serve the trust objectives.

### **6.6 Commercial value of the investment**

The commercial value of the investment is equal to the net assets of the RDBPT. The current asset of the RDBPT is approximately \$2,997,604 including cash, property and other assets. The commercial value will be reviewed on a 6-monthly basis when the financial reports for the RDBPT are prepared. The figure given here is based on the Half Year Report, December 2017.

### **6.7 Activities for which compensation is sought from any local authority**

Currently there are no activities for which compensation will be sought from any local authority.

## Appendix A. Trust objectives

The RDBPT is a trust for charitable purposes.

The RDBPT exists for the benefit of the present and future inhabitants of Banks Peninsula and for visitors to Banks Peninsula.

The RDBPT's activities will focus on the area within the district which was administered by the Banks Peninsula District Council immediately prior to its amalgamation with the Christchurch City Council (the Banks Peninsula area). A map of the Banks Peninsula area is included as Appendix B to this Statement of Intent.

The objectives of the RDBPT are:

- (a) to promote sustainable management and conservation (consistent with the purposes and principles of the Resource Management Act 1991 and the Conservation Act 1987 and any replacement legislation) of the natural environment in the Bank Peninsula area;
- (b) to establish, support or facilitate environmental based projects that are focussed on:
  - (i) the maintenance and development of recreation facilities including parks, reserves, walkways and affordable camping grounds in the Bank Peninsula area ;
  - (ii) providing public access to recreation facilities including parks, reserves, walkways and affordable camping grounds in the Bank Peninsula area;
  - (iii) the reinstatement and preservation of native vegetation in the Bank Peninsula area;
  - (iv) the enhancement of the natural biodiversity of the Bank Peninsula area;
  - (v) the restoration of the Bank Peninsula area waterways to their natural state; and
  - (vi) the protection of native endangered species present in the Bank Peninsula area;
- (c) to establish, support or facilitate projects that are focussed on the protection, preservation and enhancement of areas of historical or cultural significance, or the built heritage of the Bank Peninsula area;
- (d) to undertake or facilitate in any other way research projects or scientific enquiries to carry out the Objects;
- (e) to provide educational opportunities to further the public's understanding or enjoyment of the natural, historical and cultural qualities of the Bank Peninsula area;
- (f) to commission or otherwise support research and monitor projects relating to the status and quality of the natural and physical environment throughout the Bank Peninsula area;
- (g) to purchase or lease land to:
  - (i) carry out any improvements on land for the sustainable management of the environment or more general environmental or conservational purposes of the Trust,
  - (ii) provide facilities or opportunities for the educational purposes of the Trust;
- (h) to source and allocate funds for projects which support, promote or otherwise contribute to the Objects;
- (i) to seek the support and involvement of appropriate persons, organisations and agencies, (including the Christchurch City Council) and work alongside or collaboratively with such persons, organisations and agencies to carry out the Objects;
- (j) to hold seminars, tutorials and lectures within the Bank Peninsula area and throughout Canterbury to demonstrate research relating to the objects, and to encourage the public to become involved with or to generally promote the aims and purposes of the Trust to the community;

- (k) to carry out any other charitable purpose which is capable of being carried out in connection with the Objects or may directly, or indirectly, advance the Objects;
- (l) to raise money and to seek, accept and receive gifts, donations, grants, endowments, legacies and bequests of money or in kind for the Objects; and
- (m) to do all such other acts and things that are incidental or conducive to the attainment of the Objects.

In pursuance of the objectives of the RDBPT, the Trustees are required to have regard to:

- (a) the views of Te Hapū o Ngāti Wheke (Rāpaki), Te Rūnanga o Koukourārata, Wairewa Rūnanga, Te Taumutu Rūnanga and Ōnuku Rūnanga in respect to the value of Banks Peninsula's Mana Whenua (Land), Mana Moana (Waterways) and Mana Tangata (People);
- (b) the potential for alignment between the activities of the Trust and any existing or future projects or initiatives of the Christchurch City Council;
- (c) whether other sources of funding or support are available, including assistance provided through industry or regional development policies and programmes of local authorities or central government;
- (d) the objectives, roles and activities of any other organisation engaged in similar activities on Banks Peninsula.

## Appendix B. Trust's area of interest

The map below shows the area formerly administered by Banks Peninsula District Council. The Trust's deed directs that its funds are to be used to achieve objectives within this area.



## Appendix C. Summary of Significant Accounting policies

This summary is set out in a form consistent with the form in which the accounting policies will be set out when presented with the financial statements of RDBPT. No financial statements are included with this SOI.

### Statement of Significant Accounting Policies

#### a) Basis of financial statement preparation

In accordance with the Accounting Standards Framework the RDBPT is a Public Sector PBE. The RDBPT while meeting the requirements to apply Tier 3 PBE Accounting standards (is not publically accountable and has expenses less than \$2 million) has elected to apply Tier 2 PBE standards with effect from 1 July 2014.

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain non-current assets.

The functional and presentation currency is New Zealand dollars, and all values are rounded to the nearest dollar.

#### b) Revenue

Revenue is measured at the fair value of consideration received. Interest income is recognised using the effective interest method.

#### c) Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

#### d) Income tax

The Inland Revenue Department (IRD) has confirmed that the Trust has charitable status for tax purposes and is therefore not liable for income tax.

#### e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, and other short-term highly liquid investments with maturities of three months or less.

#### f) Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost less impairment provision.

#### g) Trade and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost.

#### h) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

#### i) Goods and Services Tax

The Rod Donald Banks Peninsula Trust is registered for GST. All amounts stated are exclusive of GST where applicable.

j) Provisions

A provision is recognised in the balance sheet when the Trust has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

k) Critical accounting estimates and assumptions

In preparing these financial statements the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

## Appendix D. Investment Strategy

This appendix describe the:

- Rod Donald Banks Peninsula Trust Investment Principles
- Available funds
- Method to achieve principles

This strategy is aimed at the 5 year period from the start of the financial year on 1 July 2018 to the end of the financial year on 30 June 2023.

### D.1 Investment Principles

#### Summary

- The trust funds are managed for the medium term with the intention that all funds will be exhausted by 2023.
- This intention may change over time and the investment principles will be adjusted to match any changed timeframes.
- The Trust aims to achieve capital injection through partnerships with other organisations, i.e. for every \$1 the Trust invests in projects that further its objectives, it seeks \$4 from partners or other sources.

#### Investment Objectives

1. To retain sufficient funds in the Trust's current account to provide sufficient cashflow for day to day operations and to invest the remainder of the funds in order to generate the best return possible for the Trust.
2. To invest for income rather than capital growth as the Trust's aim is to maximise income to support the achievement of the Trust's objectives.
3. To achieve, on average, better than the Official Cash Rate for each investment class.

#### Risk tolerance

1. To maintain a prudent spread of investments so that any risk on the capital fund is managed and minimised.
2. To make investment decisions that are informed and do not risk the on-going viability of the Trust.
3. To only invest in investment classes that Trustees are informed about and understand.
4. To invest the Trust's funds in compliance with the Christchurch City Council's Investment Policy.

#### Compliance with the Council's Investment Policy

The Trust will ensure compliance by:

1. Only acquiring securities or debt shares in any company after having notified Council.
2. Investing with banks that hold an investment grade rating of at least BBB.
3. Ensuring that no more than 30% of fixed income investments fall outside the Council's Investment Policy.



## Selection Criteria

The Trust will invest in organisations that are well established, strong performers and which it expects will deliver a regular healthy dividend in future years, e.g. power, telco, banks, property, energy, retirement or airport companies.

## Delegations

1. The Trust's Employment, Audit and Risk Committee will oversee the management of investments and compliance with these principles on behalf of the Board and will report all investment decisions and outcomes to the Board on a regular basis.
2. Re-investment of funds for periods greater than one year or for amounts greater than \$500,000 will require a decision by:
  - a) The Board; or
  - b) If the Board is not available, then the Manager in conjunction with the Chair; or
  - c) If the Chair is not available, then the Manager in conjunction with another Board Member.
  - d) In both instances of the Board not being available, the decision will need to be ratified at the next Board Meeting.

## D.2 Available Funds

The following table calculates the Trust's anticipated opening balance on July 1, 2018 based on the current position in its Half Year report at 30 December 2017, where the opening balance represents the Trust's cash position.

Total cash and investments at 30 December 2017	\$2,337,576
Current liabilities and expenses forecast to Jun 30 2018	(\$196,794)
Anticipated revenue to Jun 30 3018	\$52,867
Anticipated opening balance Jul 1 2018.	\$2,193,649

## D.3 Methods to achieve principles

The total capital sum forecast as available for use from the start of the financial year on 1 July 2018 is \$2,193,649

As funds mature they will be reinvested using the principles to produce income for the Trust. A mix of longer and shorter term investments will be used to ensure that the Trust has access to sufficient capital funds each year to meet the demands of any projects that have been accepted and are in its forecast, or are pending. However, the Trust may break a longer term deposit if a sufficiently compelling opportunity arises and this cannot be avoided. The capital will be used on projects that leave an enduring legacy.

The annual operational expenditure of the Trust, its minor operational projects, and grants to assist with the operational activities of partner organisations will be funded from a mix of income and capital.

## Appendix E. Project detail

The following projects are in progress and some expected to continue into 2018-19 and beyond.

### E.1 Te Ara Pātaka (Summit Walkway)

A 2½ day tramp connecting Lyttelton and Akaroa craters via the summit ridgelines of Banks Peninsula, with a network of tracks linking to valleys below. The tramp was formally opened in 2016 and is proving popular, including with many families and youth groups from Christchurch.

Work for the coming year includes securing access on the remaining private land crossings where access has not yet been secured, developing track entrance map signage and initiating development of day shelters.

Work over the three to five year timeframe includes extending the route to Wainui with a water taxi to Akaroa and/or around the Southern Bays, improving links with the Lyttelton Crater Rim walkway and developing an appropriate mechanism to co-ordinate the long-term maintenance and management of these tracks that cross a variety of land ownerships and are managed by different agencies.

### E.2 Rod Donald Hut

Rod Donald Hut is owned and managed by the Trust and provides one of the overnight stays on Te Ara Pātaka. Fees are charged through the Department of Conservation booking system. The Trust intends to continue running the hut as a self-funding cost centre over the coming year, to use it to build goodwill with youth groups and other organisations and act as a front face for the Trust.

Work over the three to five year timeframe includes finding a long-term owner for this asset.

### E.3 Walking information products

The Trust has developed the Banks Peninsula Walk Directory, available both in print and on-line, and a suite of walking brochures. Again, these products operate as a self-funding costs centre, and the Trust intends to continue this as it also builds goodwill and enhances the Trust's profile.

Work over the coming year includes development of an additional brochure for Governors Bay in conjunction with Lyttelton Information Centre

Work over the three to five year timeframe may include a new brochure for Wairewa and includes finding a long term owner for these assets.

### E.4 Protecting access on Woodills track at Akaroa

The Woodills track is one of Akaroa's most popular tracks providing a half day loop route connecting the Woodills and Purple Peak stock routes. The Trust purchased the property at 168 Grehan Valley to protect public walking access on the track section across this and a neighbouring property and has redeveloped the track to reside solely on this property. The Trust has work in progress to protect the track with a public walking easement, protect the native vegetation by way of conservation covenant with Banks Peninsula Conservation Trust and to subdivide the property into two lots. The Trust has entered into agreement with purchasers to on-sell the two lots. The project is well underway and expected to complete in 2018.

### E.5 Developing tramping accommodation on Quail Island

DOC has invited the Trust to partner with it to upgrade a run-down but attractive historic cottage on Quail Island into family style tramping accommodation over the 2017-18 year. The Trust has agreed to assist with funding.

## **E.6 Supporting Head to Head walkway in Lyttelton Harbour**

The Trust intends to take a more active and creative role in finding access routes on the Head to Head walkway where there is currently no public access available, subject to the agreement of the Working Party in which it participates. It does not anticipate purchasing land to facilitate the Head to Head walkway, but may negotiate easements or make use of formed and unformed legal roads and water transport.

## **E.7 Grant funding partner organisations**

The Trust is currently reviewing its grants to Orton Bradley Park and Banks Peninsula Conservation Trust, aware that its own funds are depleting. Continued support at a reduced level is envisaged.

## **E.8 Continued support for Banks Peninsula Walking Festival**

The Trust has developed and co-managed the Banks Peninsula Walking Festival with Project Lyttelton, Little River/Wairewa Community Trust and Akaroa District Promotions. The Trust will continue to support this as the only pan-Peninsula festival and a method to promote knowledge about Banks Peninsula while enjoying walking, including new walks.

## **E.9 Developing new walking/biking opportunities around Little River**

There are currently no public off-road walks departing directly from Little River except for the Little River Rail Trail. The Trust will seek to create an off-road connection to Rod Donald Hut and links to Te Ara Pātaka. This project may commence in 2018/19.

## **E.10 Supporting the Banks Peninsula Predator-and Pest Free initiatives**

The Department of Conservation, Banks Peninsula Conservation Trust and others are working toward a Banks Peninsula Predator-Free initiative, incorporating the government's NZ Predator free programme. The Trust has supported this initiative, although an initial bid to PF2050 was unsuccessful. The Trust is currently supporting a combined initiative to eradicate goats on Banks Peninsula as a first step to pest and predator free, and will work with other agencies to achieve this.

## **E.11 Building relationships**

The Trust is working to build a stronger relationship with the Council through shared projects, including:

- working with the Regional Parks team to improve the signage, waymarking and maintenance of peri-urban tracks around Akaroa, Diamond Harbour and the Lyttelton settlements to match the Trust's popular brochure series.
- working with Strategic Planning staff to improve walking linkage planning through the Natural Heritage Strategy being developed to replace the Council's current Public Open Space and Biodiversity strategies, and making use of some unformed legal roads where appropriate.

The Trust is formalising its relationship with Department of Conservation through a shared MOU.

The Trust envisages further developing and formalising its relationships with Environment Canterbury, Ngāi Tahu and rūnanga.

The Trust sees the need for an ongoing entity to: advocate for Banks Peninsula tracks and trails, support agencies, develop an associated volunteer network, and to ensure that Banks Peninsula's role as a walking and biking destination for residents and visitors grows with high quality and well maintained tracks.