



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

**Statement of Intent**

**For the year**  
**1 July 2020 - 30 June 2021**

## **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 7546  
Email: [manager@roddonaldtrust.co.nz](mailto:manager@roddonaldtrust.co.nz)  
Phone 03-3047733  
Physical Address: c/o DJCA, Level 3, 50 Victoria Street, Christchurch 8013

## **Current Trustees**

Maureen McCloy  
7 Victoria Park Road  
Cashmere  
Christchurch

Andrew Turner  
PO Box 209  
Lyttelton 8841

Bob Webster  
20 Hyndhope Road  
Halswell 8025

Cynthia Roberts  
PO Box 17-727  
Sumner 8840

Richard Suggate  
16 Whero Avenue  
Diamond Harbour  
RD1 Lyttelton 8971

Paul McNoe  
2 Petworth Place  
Westmorland  
Christchurch 8025

Bryan Storey  
36 Bay View Road  
Moncks Bay  
Christchurch 8081

Note that the terms of Bob Webster, Richard Suggate, Paul McNoe and Bryan Storey expire on 30 June 2020. The Trust has recommended to Council that all four are re-appointed for a further 3 year term commencing 1 July 2020.

## Executive summary

The Rod Donald Banks Peninsula Trust Te Pātaka o Rākaihautū 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 2020-21 to the Council in this Statement of Intent.

*The nature and scope of activities planned for the next three years support the Trust's four strategic pillars:*

- 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, through a significant property purchase to create a new conservation park which includes an ongoing maintenance plan,
- in time extending Te Ara Pātaka 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;
- supporting development of the Head to Head walkway around Lyttelton Harbour/Whakaraupō;
- supporting the Banks Peninsula Conservation Trust and its Ecological vision - including Pest Free Banks Peninsula 2050 and the Peninsula having four indigenous forest areas of more than 1000ha each;
- building knowledge of how income from carbon sequestration projects can assist with native biodiversity enhancement;
- building a stronger partnership with Christchurch City Council through joint projects to support its Public Open Space Strategy; Biodiversity and Climate Change goals and,
- building stronger partnerships with other organisations and initiatives, e.g. including Te Pātaka o Rākaihautū / Banks Peninsula GeoPark.

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 in support of its four strategic pillars. 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 intends to continue working with Christchurch City Council to secure ongoing funding in support of Striding Forward, the Trust's 2020-2030 Strategic Plan, as recommended by the Joint Working Party in its CCC Long Term Plan Funding Proposal 2020-2030. It also intends to further investigate how to improve the profitability of its social enterprises, within the context of Covid-19 short and longer term impacts.

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## 1 Introduction

Rod Donald Banks Peninsula Trust Te Pātaka o Rākaihautū (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 strategic 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 2010-2040 provides 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 2019-20 it had distributed 39% of its opening funds.

RDBPT continues to signal that in completing its current projects it is likely to deplete its capital below the level where it can operate, principally due to a purchase of a large block of iconic land in the Lyttelton Harbour basin.

The Joint Working Party set up by the Council to consider the Trust's future completed its work in March 2020 with a recommendation to the Council that

*“the Trust continue as a CCO with its funds replenished through a one-off capital injection for the next 10 years allocated in the 2021 LTP, plus an operating grant, and extends the area to which these new funds apply to the Banks Ecological district.”*

The SOI is currently based on the premise that the proposal to re-inject capital into the Trust is accepted by the Council and the Trust therefore continues to operate as a CCO of Council for another 10 years. However, at the stage of submitting this SOI, the Council has not yet indicated its intentions to the Trust with regard to refinancing. Given that Council funds have been unexpectedly hit by the Covid-19 pandemic, the financial forecasts in this SOI are based on the Trust having completed the distribution of its funds by June 2023, and that further funding is granted by 2024, as part of the 2021 LTP when the Council finances may have sufficiently recovered.

## 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 principal project and focus over the next three years is the setting up of a conservation park in the Lyttelton/Whakaraupō basin on land purchased by the Trust. The intention of this purchase is to secure long-term public access on the Te Ara Pātaka tramping network and to enhance landscape, biodiversity and harbour catchment values.

Other projects will involve maintaining existing Trust assets and working to secure further public access over private land to create extensions of the Te Ara Pātaka network. As this relies on negotiations with willing land-owners, there may be considerable variance in costs and timeframes from the targets in this SOI.

Should the Trust fully deplete its capital, and no further funding is granted by the Council then it will seek to wind down and cease operating as a CCO. Whether the assets are then donated to other parties, such as the Department of Conservation, or a new Trust continues to operate without CCO status and seeks funding elsewhere would be determined at that point. The Trust requests that clarity regarding its future be established by 1 July 2021 when the next LTP is adopted.

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

- Developing and managing Te Ara Pātaka (Summit Walkway) in partnership with DOC, CCC and landowners
- Purchasing and establishing a new conservation park in Lyttelton/Whakaraupō basin
- Owning and managing Rod Donald Hut
- Developing and providing walking information products, e.g. website, brochures and signage
- Supporting the Head to Head walkway around Lyttelton/Whakaraupō Harbour
- Funding partner organisations through grants
- Supporting biodiversity enhancement via Banks Peninsula Conservation Trust led initiatives
- Leading the Banks Peninsula Native Forest-Climate Change group
- Supporting the Banks Peninsula Pest Free initiatives
- Co-ordinating the Banks Peninsula Walking Festival
- Developing new walking and biking opportunities around Little River

Some of the Trust's ongoing projects are run on a social enterprise basis.:

- Rod Donald Hut
- Walking information products
- Banks Peninsula Walking Festival

These social enterprises are undertaken principally for the public benefits they bring, however the Trust's goal is that they will eventually be self-funding and provide a small contribution toward the Trust's overall operating costs.

Further information on these projects and social enterprises is in Appendix E.

## 4.1 Impacts of Covid-19

The Trust's operations were affected by the Covid-19 lockdown in 2020 as follows:

- Rod Donald Hut was closed from 25 March until 14 May, meaning the Trust lost 7 weeks of revenue. During Level 3 the Trust used the opportunity to bring forward the annual maintenance work normally scheduled in September, meaning that the hut will be open for an extra week at that time. The hut has been popular again since it re-opened.
- With Visitor Information centres closed, walking brochure sales ceased. The Trust used the opportunity to produce on-line versions of its brochures anticipating these would have greater appeal to the domestic market. The brochures are currently available as a free download as part of the Trust's contribution to supporting Covid-19 recovery.

Revenue from the hut and brochure sales are a small proportion of the Trust's income so the decline in revenue over this period is not material.



Looking forward, the impact of Covid-19 on the Trust's income is expected to be relatively minor as most Rod Donald Hut and Banks Peninsula Walking Festival users are domestic and the fees charged are modest.

The major concern for the Trust is its ongoing future. The Council-established Joint Working Party had recommended that the Council grant a capital sum of \$2.9 million and an operational grant of \$70,000 per annum to enable the Trust to continue and realise its Strategic Plan *Striding Forward | Hikoi Whakamua 2020-2030*. This recommendation was supported by all staff involved in the working party process. Given the impact of Covid-19 on the Council's funds the Trust seeks clarity in due course as to whether this recommendation will not now be successful or will be delayed.

The Trust considers that its work is even more important in the post lockdown Covid-19 period. The lockdown demonstrated the importance and popularity of walking for mental and physical health for the people of Christchurch. The work of the Trust provides more opportunities for this on Banks Peninsula within easy distance of the urban city, and provides a drawcard to bring more domestic visitors and later international visitors back to the area. The new conservation park that the Trust is confident it will have secured in the 2020/21 financial year will provide a major good news story and opportunity for Christchurch to appeal to domestic visitors from New Zealand.

## 5 Performance targets and measures

### 5.1 Non-financial performance targets

This section lists the Trust's non-financial key performance indicators, and the goals from its 10-year Strategic Plan that the Trust intends to progress in the 2020/21 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 through implementing the CCC Public Open Space Strategy.</i></b>
	A network of well managed walking and biking trails with long term secure public access that provide free walking and connect major communities.
	Te Ara Pātaka is nationally recognised as a walking route from Christchurch to Akaroa with a network of track connections.
	The Head to Head Walkway connecting Godley Head to Adderley Head is completed as a continuous and principally coastal pathway around Lyttelton Harbour.
	Unformed legal roads are valued and effective as a delivery tool for walking and biking.
<b>Indicator 3</b>	<b><i>Provide tangible support for biodiversity</i></b>
	Increase protection for areas with high biodiversity value in conjunction with public walking/cycling access; purchasing land if necessary.
	Active support for Banks Peninsula Conservation Trust's Ecological Vision goals to protect all old-growth forest remnants of more than 1ha, examples of all rare ecosystems and four indigenous forest areas of more than 1000ha each.
	Support the Pest Free Banks Peninsula group in its work toward Banks Peninsula being effectively free of pest animals.
	Address the Climate and Ecological Emergency through encouraging native biodiversity to regenerate on a landscape scale, assisted by its income from carbon sequestration where

possible.

**Indicator 4** *Provide tangible support for projects building the Knowledge pillar, and leadership around walking access knowledge.*

Trails are used to educate people and connect them to the natural environment and mātauranga Maori with the aim of building environmental guardians.

Regularly publish and update material on the walking and biking trails and work with other agencies to enhance their publications.

Develop methods to transfer knowledge through events, on-line information channels and support for a Banks Peninsula Geopark.

Promote information about the biodiversity, culture, heritage and geology of Banks Peninsula and its potential for carbon sequestration.

**Indicator 5** *Provide tangible support for and work with a range of partners*

Working in partnership with others to achieve greater outcomes than we could individually.

Relationships with key stakeholders are formalised with appropriate agreements and delivering as agreed.

Ngai Tahu's role as kaitiaki is acknowledged and supported through productive partnerships with Papatipu Rūnanga on Te Pātaka o Rākaihautū

A mutually supportive partnership with Christchurch City Council recognising the Trust as an effective delivery vessel.

## 5.2 Financial performance targets

The financial performance targets for the next three years are based on the following assumptions

- The Trust picks up the majority of the cost of securing access along Te Ara Pātaka through purchase of land for the conservation park in the 2020/21 year and receives no further capital or operational funding through the LTP until July 2023.
- Operational activity in 2021/22 and 2022/23 is focussed on setting up the conservation park.
- The Trust clarity about its future in the 2021 LTP enabling it to determine whether it should retain its existing assets or donate them to other organisations with similar purposes. No strategic projects are forecast for 2022/23 as the Trust may be winding down if it has no certainty of future funding from the Council.

	Notes	2020/21	2021/22	2022/23
<b>Operating Surplus</b>				
Revenue	1	\$61,240	\$44,870	\$41,798
Trust Management	2	-\$94,554	-\$96,445	-\$98,374
Operating costs	3	-\$95,486	-\$90,380	-\$91,548
Operating Surplus/(Deficit)		-\$128,800	-\$141,956	-\$148,124
<b>Trusts Funds</b>				
Opening funds	4	\$2,148,149	\$709,350	\$297,394
Operating Surplus/(Deficit)		-\$128,800	-\$141,956	-\$148,124
Strategic grants and project expenditure	5	-\$1,310,000	-\$270,000	\$0
<b>Closing balance</b>		<b>\$709,350</b>	<b>\$297,394</b>	<b>\$149,270</b>

### Notes

- Revenue consists of interest income plus sales. The Trust does not expect its income to be materially affected by Covid-19 as sales provide a small component of its forecast revenue.
- Trust Management reflects the cost of the current management contract with Peninsula Projects, providing the Trust's operational management service.
- Operating costs include accountancy, insurance, audit fees, meeting costs, web hosting, strategic planning, minor projects (such as advocacy or web development), professional fees not separately budgeted, the costs of goods and services sold, including the Trust's social enterprises, and operational grants to partners. The Trust does not anticipate a material increase in operating costs due to Covid-19.
- Opening funds forecast the amount of the Trust's liquid capital (held as cash and term deposits), but does not include its capital assets. This liquid capital figure enables the Trust to determine its ability to take on projects.

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The Financial Performance targets therefore reflect the Trust's cash rather than equity position.

The 2020/21 Opening Balance is an estimate based on the balance at December 31, 2019 plus revenue and less expenses and liabilities forecast to June 30 2020.

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- 5 Strategic grants and project expenditure include grants to other organisations achieving Trust goals and its own major projects. These funds are principally to be used in the 2020/21 year for the purchase of the conservation park and in future years for setting it up. The above forecast is a conservative one, based on the Trust funding the entire costs of the conservation park purchase and set up, and being unsuccessful in securing grants from partners. It assumes that the Trust is likely to wind up in June 2023 unless the Council has allocated a further grant.

The Trust has no commitments beyond the period shown.

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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 \$2,512,495 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 2019.

### **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 around 2023.
- This intention may change over time and the investment principles will be adjusted to match any changed timeframes.
- The Trust has generally aimed 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. However, where assets are key to the Trust goals it will proceed without partners and may need to do so for the conservation park if grant funding is not obtainable in the post Covid-19 period.

#### **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, 2020 based on the current position in its Half Year report at 30 December 2019, where the opening balance represents the Trust's cash position.

Total cash and investments at 30 December 2019	\$2,165,704
Current liabilities and expenses forecast to 30 June 2020	(\$87,764)
Anticipated revenue to 30 June 2020	\$70,209
Anticipated opening balance 1 July 2020	\$2,148,149

## **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 2020 is \$2,148,149.

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 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 2020-21 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. This includes bringing a large property into public ownership initially to be held by the Trust and to set it up as a conservation park for protecting and enhancing native biodiversity and with full public access. This park will provide Christchurch with a stunning new asset, biodiversity enhancement, outdoor recreation and knowledge building for generations to come.

The Trust also intends to develop track entrance map signage, and ensure that all the tracks in the network are maintained to a reasonable standard.

The Trust has ongoing grant commitment to Orton Bradley Park, which includes an expectation that the Park will maintain two of the tracks that form part of the Te Ara Pātaka network.

Work over the three-year timeframe includes setting up and establishing the new property as a conservation park.

Some preliminary work toward 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 may be made, but is unlikely to be achieved without further funding..

### E.2 Managing and maintaining existing assets

The Trust has built up a suite of assets that it intends to continue managing and maintaining. These include the Rod Donald Tramping Hut on Te Ara Pātaka, Walking information products, and the Banks Peninsula Walking Festival.

#### E.2.1 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 social enterprise over the coming year, to use it to build goodwill with youth groups and other organisations, act as a front face for the Trust and work toward meeting all of its costs including oversight by the Trust Manager.

Work over the three-year timeframe may include finding a long-term owner for this asset if the Trust is unsuccessful in securing future funding from the Council.

#### E.2.2 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 social enterprise, and the Trust intends to continue this as it also builds goodwill and enhances the Trust's profile.

Work over the three year timeframe may include a new brochure for Wairewa and finding a long term owner for these assets if the Trust is unsuccessful in securing future funding from the Council.

#### E.2.3 Banks Peninsula Walking Festival

The Banks Peninsula Walking Festival is a community collaboration led by RDBPT and involving Project Lyttelton, Akaroa District Promotions, Little River/Wairewa Community Trust and the Diamond Harbour

Community Association. It has been run annually in November since 2013 and built up a strong reputation and following. The Festival aims to cover its costs through grants and ticket sales. The principal cost is the Festival Co-ordinator, a position contracted through RDBPT.

### **E.3 Supporting Head to Head walkway in Lyttelton Harbour**

The Trust participates in the Head to Head Working Party, a sub-committee of the Banks Peninsula Community Board. The Trust's principal role is finding access routes to connect existing Head to Head walkway sections 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. The Trust is currently working to progress an easement across Living Springs, and will look to formalise its relationship around the Head to Head walking with an MOU with Council.

### **E.4 Supporting Banks Peninsula Conservation Trust Ecological Vision**

RDBPT has an ongoing grant commitment to Banks Peninsula Conservation Trust running through the 2020/21 financial year to support its Volunteer Coordinator, but does not envisage issuing further ongoing grants until it has secured further funding for its own future.

The future 500ha conservation park in the Lyttelton Harbour/Whakaraupō basin fills the missing link to create over 1700ha of continuous land protected for biodiversity. It therefore significantly contributes to the Banks Peninsula Conservation Trust's Ecological Vision goal that seeks to see four areas of over 1000ha contiguous protection in place.

#### **E.4.1 Banks Peninsula Pest Free 2050**

RDBPT along with Department of Conservation, Banks Peninsula Conservation Trust, Christchurch City Council and others have signed the Banks Peninsula Pest-Free Memorandum of Understanding, incorporating the government's NZ Predator free programme. The Trust has supported this initiative to date with a grant enabling trialling of a new goat eradication methodology and a new Pest Free co-ordinator position managed by Banks Peninsula Conservation Trust, but further funding has not been allocated or forecast. The Trust will keep a watching brief on progress but has not allocated funding to support future initiatives.

### **E.5 Building knowledge of carbon sequestration income to support native biodiversity**

RDBPT is developing knowledge about carbon sequestration using native biodiversity. In particular how income derived via the ETS system may be used to assist with leveraging more native regeneration across Banks Peninsula along with supporting Banks Peninsula Conservation Trust and landowners involved with conservation activities. The Trust leads a collaborative group consisting of representatives from DOC, CCC, ECAN, QEII National Trust, BPCT, Manaaki Whenua/Landcare Research, Hinewai Reserve and Lucas and Associates landscape planners.

### **E.6 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 is seeking to create an off-road connection to Rod Donald Hut and links to Te Ara Pātaka from Little River.

### **E.7 Building stronger relationships with Council and others**

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, and enhanced biodiversity and is seeking ongoing funding from the Council so that it can continue to fulfil this role.

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

- Working with the Council to determine whether the Council will re-inject capital into the Trust to enable it to continue functioning until at least 2030.
- working with the staff 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 Council's current Public Open Space and Biodiversity strategies, and making use of some unformed legal roads where appropriate.

The Trust has formalised its relationship with Department of Conservation through a shared MOU, and this is a living document that is added to as new projects develop.

The Trust is further developing and formalising its relationships with the GeoPark group, Whaka Ora/Healthy Harbour, Environment Canterbury, Ngāi Tahu and rūnanga, and others in its work to form the conservation park