

POSITION STATEMENT:

TRUSTEE

QUEENSTOWN LAKES COMMUNITY HOUSING TRUST (‘QLCHT’)

15 November 2006

Purpose

This position statement has been prepared by Graeme Todd, Settlor to assist candidates who are interested in being nominated or nominating themselves for a role as a Trustee for the Queenstown Lakes Community Housing Trust (the “Trust”).

The Trust’s overall purpose is to promote the provision of affordable community housing for the benefit of the community in the Queenstown Lakes District. Please refer to the Deed of Trust for further clarification of the objects, functions, duties, and powers of Trustees.

Current Vacancies and Selection Process

Vacancies exist for all five trustees. The Settlor has appointed four initial Trustees for a period of three months, whose sole purpose is to elect four of the first appointed Trustees. One Trustee will be appointed by the Queenstown-Lakes District Council (QLDC). Council will select its trustee from the pool of candidates identified through the invitation process.

The first appointed Trustees will be responsible for the growth and leadership of the organisation in accomplishing its charitable purpose.

Purpose of Trust

The QLCHT will be an independent, charitable trust, with tax exempt status, and is not an organization controlled by the QLDC. The references to Council in the Trust objects are for the purpose of facilitating cooperation and policy coordination, and to ensure protection of public assets, not for the purpose of granting control to Council.

The primary objects and purposes for which the Trust is established are:

- Either alone or with or through any other entity or entities to promote and/or provide housing (whether freehold, leasehold, licence, option or some other form of ownership or rental) for households that contribute or will contribute to the social, cultural, economic and environmental well-being of those living within the District of the Queenstown - Lakes District Council (the “District”) at a cost within their means.
- To provide housing in accordance with the Queenstown - Lakes District Community Housing Policy as published from time to time.
- To maintain and develop consultation with the Queenstown business community, Queenstown-Lakes District Council and the greater community

on the needs for housing to be provided and as to how those needs may be met.

- To establish, implement, manage, facilitate and sponsor systems for the purposes of seeking, raising, accepting, receiving, accumulating, investing and administering funds for the purpose of the Trust whether by the Trust directly or through companies, trusts or other entities owned, controlled or contracted by the Trust.

(Note: the Trust Deed provides further detail in Section 3 on the above objects and purposes)

The above objects are intended to focus the efforts of the Trust on addressing the social capital needs of the district by building the base of housing affordable and accessible to the employees of businesses in the District.

History

The “Housing our People in our Environment” (HOPE) Strategy adopted by Council in June 2005 identified the establishment of a Community Housing Trust as a key vehicle through which the community can engage in partnerships to promote, develop, and operate affordable housing throughout the District. The Strategy was developed through considerable public consultation and generated strong support for the activities to be undertaken by the Trust, by Council, and by other entities. These roles and actions are developed in more detail in the Strategy.

Ensuring that the Trust can operate effectively in partnership with the development and employer community is a primary reason that it is being established as an independent body from Council. Ensuring the independence of the Trust is a fundamental goal and is the primary reason why only one of the five Trustees will be appointed by the Council.

It is expected that the Trust will act as a ‘good corporate citizen’. This covers a broad range of issues such as urban design, energy conservation, and growth management.

The HOPE Strategy identified the need for community housing to be scattered throughout the district. The board is expected to act in the interests of the long term preservation of affordable housing throughout the district, while respecting the need to balance, at times, competing demands of residents, neighbourhoods, and opportunities for the development of new affordable housing.

These expectations are to be developed in more detail in the Trust's statement of corporate intent.

Expectations of Council

The Council has the obligation under a set of existing agreements to direct to the Trust any contributions of land, building and/or funds committed voluntarily by developers for the purpose of affordable community housing. These contributions form a significant asset for the Trust. Should other opportunities arise for the development of affordable community housing on council-owned land, those proposals will be reviewed in accordance with the appropriate process.

The Trust is also resourced with consultant advice for the completion of its business plan, financial modelling, and operational policies and procedures. A limited amount of administrative support will be provided to the Trust by the Council for its first year of operation, with the intent that the Trust will augment and/or replace this support with its own resource as soon as practicable. As the Trustees further develop business plans for the Trust, the relationships and partnerships that have been developed between the Council, central government and other organisations will be available to assist the Trustees.

Expectations of Trustees

Trustee selection aims to ensure that the Board of Trustees will contain the skills necessary to ensure its sound performance at each stage of the Trust's development.

As the Trust is in its formative stages, initial Trustees are expected to foster the development of the Trust and will have extensive input into all aspects of future affordable housing in the District.

A combination of specific skills is always sought to ensure that boards have a range of skills covering, for example, financial management, business, governance, and knowledge of the housing sector in which the Trust operates.

In general terms, Trustees need to have a high level of underlying skills such as financial literacy, good communication, strategic awareness, and an ability to take a strategic perspective on issues. Complementary specialist skills could also be an advantage and will be considered in this context.

The following list, taken from the expectations required of trustees of Crown owned companies, is illustrative of the skills generally desired:

- An ability to add value
- An ability to clearly communicate orally and in writing
- A wide perspective on issues
- Integrity and a strong sense of ethics
- Common-sense
- Organisational and strategic awareness
- An appreciation of the role of the Council as shareholder
- An ability to distinguish corporate governance from management
- Financial literacy
- A well developed critical faculty
- The ability to be information orientated
- A knowledge of the responsibilities of trustees
- An ability to work in a team and collaborate

Three further skill sets have been identified in relation to the Trust's purpose:

- An appreciation of the effects of growth on communities.
- An understanding of housing and property markets, in particular how they do and don't work for a community's employee base.
- An understanding of the role(s) the Trust can play in partnership with the private and government sectors in addressing gaps in the housing market.

Initial Tasks

The QLCHT is currently in its start-up phase and is tasked with delivering its first set of affordable housing resulting from the contributions provided by local developers. Looking forward, the board of the QLCHT will find itself involved in dealing with:

- a) Organisational set up and development of policy, business plans, and program models;
- b) Property development in various forms as it proceeds to develop land held by the QLCHT. Both the market issues and the statutory planning issues associated with that exercise are substantial.
- c) Developing the capacity of the Trust. This involves appointing its officers as well as a CEO who will further develop the administrative and management infrastructure for the organisation.
- d) Finalising the Trust's business plan, Statement Of Corporate Intent and strategic plans.
- e) Financial planning to ensure that the QLCHT can fund its strategic plans and ensure quality affordable housing is provided for the long term.
- f) Building and maintaining strong relationships with all facets of the community.

Terms of Reference for the Council-Appointed Trustee

In addition to the skills and qualifications set out above, the following Terms of Reference are available to guide the selection and responsibilities of the Council appointed Trustee. In this regard the Terms of Reference indicate that:

- a) The person appointed by the Council to the Trust is first and foremost a Trustee of the Trust;
- b) The Council-appointed Trustee is not intended to be a Councillor or other officer or employee of the Council;
- c) The person filling this role is expected to facilitate communication and co-operation between the Trust and the Council. This includes keeping each organisation abreast of their respective actions, and policy matters;
- d) The Trustee must ensure that confidentiality surrounding commercial sensitivities of the Trust are maintained;
- e) The Council-Appointed trustee shall not make decisions on behalf of Council, but can facilitate processes seeking approval from the appropriate Council Committee or from the Full Council as appropriate, in the interest of advancing the wider purposes of the Community Housing Strategy.

Factors To Be Considered

The following factors may assist individuals considering expressing interest in being appointed as a QLCHT Trustee:

- a) Residence inside the Queenstown Lakes District is not a prerequisite to appointment. Priority in appointments will be given to the candidate who can best satisfy the requirements of the role.
- b) All potential conflicts of interest must be disclosed in a candidate's expression of interest. Examples of conflict of interest include: being actively involved in the housing market; a trusteeship or senior management role in a development or development company; an interest in development which might impair the ability of the Trust to operate, etc. Persons with potential conflicts should not feel discouraged from expressing interest but will be expected to clearly state and resolve the conflicts before appointment if successful.
- c) Persons not qualified to hold office as a Trustee (e.g. an un-discharged bankrupt) should not apply.
- d) Trustee liability is discussed further in Section 17 of the Trust Deed. The intent is to limit Trustee liability except in cases of gross negligence and dishonesty.

Term of Appointment

The successful candidates can expect to be appointed for a 2 or 3 year initial term to facilitate continuity of leadership. Dependent on performance and the desire of the fellow trustees, a Trustee may be reappointed for up two additional 3 year terms.

Confidentiality

It is the Trust's practice to deal with applications for appointments, involving personal information, on a confidential basis.

How To Express Interest?

Any person being interested in this role as a Trustee of the QLCHT should submit a written expression of interest, including a brief curriculum vitae, to:

Mr. Graeme Todd
Settlor, QLCHT
MacTodd
O'Connells Pavilion
PO Box 653
QUEENSTOWN

Any person considering expressing interest in this position is invited to contact Mr. Todd at 03 442 8110.

Decision Making Process

The Settlor and initial Trustees will accept expressions of interest until 19 January 2006 and shall announce four of the five first appointed trustees in February 2007. The Settlor will refer to the Mayor, Queenstown-Lakes District Council a list of names from which Council may select the Council-appointed Trustee, for appointment by resolution of full Council at its February 2007 meeting.

It is not common to hold interviews for this form of appointment and the Settlor and Trustees reserve the right to negotiate directly with any person for this role. All expressions of interest will be acknowledged.