

**POSITION DESCRIPTION:  
TRUSTEE  
OPOTIKI COMMUNITY TRUST  
(‘OCT ’)  
February 2008**

**Purpose**

This position description has been prepared by the Opotiki District Council to assist people who are interested in being nominated or nominating themselves for a role as an initial Trustee for the Opotiki Community Trust (the "Trust"). The trust will be established with five initial Trustees. The trust itself will be established as an incorporated charitable trust.

The Trust's overall purpose is to increase the social and economic well-being of the community of the Opotiki District. It is expected to do this through a combination of wealth creation, wealth management and wealth distribution activities.

**Current Vacancies and Selection Process**

Vacancies exist for all five initial trustees. The Opotiki District Council (ODC) will appoint the initial Trustees. All subsequent appointments will be made by an electoral college constituted to be broadly representative of interests within the Opotiki District including tangata whenua, the voluntary and community sector, business, education and recreation.

The initial Trustees will be responsible for establishment of the trust's operating structure and administrative arrangements, development of its initial business plan, and generally placing the trust on a firm foundation for future growth.

**Background**

An initial impetus for the establishment of the trust came from scoping work undertaken for the proposed reopening of the Opotiki river harbour<sup>1</sup>. The council expects that the reopening will create significant commercial development opportunities, some on council owned land, and some on other land. The council believes that the community should have the opportunity to capture the benefit of these development opportunities, as they will result directly from a significant public investment by the community.

The council recognized that it does not have the skills or capabilities required to undertake significant commercial development. Instead, this should be the responsibility of a separate entity "purpose-built" to undertake commercial development in the expectation that profits will ultimately be returned to the community.

There are other opportunities as well. Council owns other parcels of land which could be ideal for tourist or other commercial development. There is a shortage of commercial and industrial land to meet the growing needs of the food packing and processing sector. There is an opportunity to work with the Housing New

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<sup>1</sup> This is a major infrastructure project which will include building breakwaters at the mouth of the Waioeka River to significantly improve navigation up to the former harbour area (in the 19th century Opotiki was a significant coastal port, but lost that status as the result of gravel build up making the River non-navigable for large commercial vessels).

Zealand Corporation in the development/refurbishment of affordable housing in Opotiki. There are also private commercial opportunities which the Trust could pursue.

Another gap in Opotiki's "community infrastructure" is the absence of any entity which could receive and manage gifts or bequests for the community.

### **Purpose of Trust**

The OCT will be an independent, charitable trust, with tax exempt status, and not an organization controlled by the ODC.

The Trust is being established with the single stated charitable purpose "to increase the social and economic well-being of the community of the Opotiki District".

In pursuing that purpose, it is expected that the trust activities will include:

**Wealth creation**, initially through commercial property development. The council will facilitate this by granting the Trust development licences, as appropriate, in respect of council owned land thus enabling development to proceed without the need for the Trust to purchase the land. The trust deed is explicit that any active investment activities, which will include commercial property development, may only be undertaken through a wholly owned subsidiary company with its own board of directors appointed on a "fit for purpose" basis.

**Wealth management:** It is expected that the Trust will encourage individuals wishing to benefit the Opotiki District by gift or bequest to make those to the Trust for the Trust to administer the capital and distribute the income in accordance with the donor's terms which may be either for the benefit of the District generally, or for some specific purpose. The trust will be required to develop appropriate investment strategies/policies for the management of any capital it receives in this way, or any surplus generated from its other activities and set aside for passive investment.

**Wealth distribution:** In the medium term it is expected that the Trust's activities will result in surpluses available for distribution within the Opotiki District. The trust deed provides for the establishment of a distribution committee (which may include non-Trustees) to be responsible for advising the Trust on its distribution activities.

### **Responsibilities of Council**

The Council's responsibilities in relation to the Trust include:

- Appointing the initial Trustees (once the initial Trustees are appointed, the Council will have no further right of appointment).
- Establishing by resolution, and then appointing the members of, the electoral college which will be responsible for all trustee appointments other than the initial Trustees.
- Working with the Trust to identify opportunities which can be made available to the trust to facilitate its activities, including its wealth creation

activities. This is expected to focus particularly on the potential for the trust to add value to council owned assets.

- Facilitating the start-up of the Trust through measures including assisting the trust find initial seed capital to assist with establishing its operating structure and administrative arrangements, subject to agreement, assisting the Trust with administrative resources, and working with the Trust to access third party funding for trust activities.

### **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 the establishment of its operating structure and administrative arrangements, its initial vision, strategy and business plan, the establishment of its wholly owned subsidiary for active investment, its role as a recipient of gifts and bequests from within the community, and the development of at least the principles for its investment management and wealth distribution activities in order that the trust is properly prepared for the time when commencing activity within those functions is justified.

A combination of skills is sought to ensure that Trustees between them have a range of skills covering, for example, financial management, business, governance, treaty issues, community social and economic development, commercial property development and housing.

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, based on the expectations required of trustees of Crown entities, is illustrative of the skills generally desired of the trustees collectively (accepting that not all Trustees will be strong in all of these areas):

- 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
- A commitment to the well-being of the Opotiki District
- An ability to distinguish corporate governance from management
- Financial literacy
- A well developed critical faculty
- The ability to be information oriented
- A knowledge of the responsibilities of trustees
- An ability to work in a team and collaborate
- An appreciation of the principles of community social and economic development.
- An understanding of housing and property markets, in particular how they do and don't work for a community's well-being.

- An understanding of the role(s) the Trust can play in partnership with the private and government sectors in pursuing the trust's objectives in areas such as commercial property development.

### **Initial Tasks**

The initial Trustees will be responsible for the start-up phase of the Trust's activities. This will see the Trust board involved in dealing with:

- Organisational set up and the development of trust's initial business plan and related policies.
- Establishment of a wholly owned subsidiary for the purpose of undertaking commercial development in various forms as it proceeds to develop land in respect of which the Opotiki District Council is prepared to grant development licences, or other land which the Trust or the wholly owned subsidiary is able to access for development purposes.
- Developing strategic business relationships with a focus on partners able to work with the Trust and the wholly owned subsidiary in undertaking commercial development projects.
- Working with the Housing New Zealand Corporation exploring the potential for the Trust to contribute to the development of affordable housing within the Opotiki District.
- Developing the capacity of the Trust. This involves appointing its officers and considering whether the Trust should appoint a part or full-time manager to assist in the Trust's management and administration.
- Financial planning to ensure that the OCT can fund its initial business plan.
- Building and maintaining strong communication and relationships with all facets of the community.

### **Factors to consider**

The following factors may assist individuals considering expressing interest in being appointed as an OCT Trustee:

- Residence inside the Opotiki District is not a prerequisite to appointment although a commitment to the well-being of the Opotiki District is. Priority in appointments will be given to candidates who can best satisfy the requirements of the role.
- 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 or commercial property markets in Opotiki; a directorship or senior management role in a development or development company; an interest in a 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 (indeed, given the size of the Opotiki community, and the expected responsibilities of trustees, it is very likely that one or more Trustees will have a conflict of interest).
- Persons not qualified to hold office as a Trustee (e.g. an un-discharged bankrupt) should not apply.
- Trustee liability is discussed further in clause 18 of the Trust Deed. The intent is to limit Trustee liability except in cases of gross negligence and dishonesty.

### **Term of Appointment**

Successful candidates will be appointed for a term terminating at the end of either the second or third annual general meeting of the trust (AGMs are expected to take place in September/October each year). Trustees will be eligible for reappointment for a further term.

### **Remuneration**

The remuneration of trustees will be set by the board for each financial year at the annual general meeting in that financial year. Remuneration for each trustee shall not exceed the lesser of \$5,000 per annum or one fifth or 20% of the Trust's income after all expenses (other than trustee remuneration) for the previous financial year.

### **Confidentiality**

Applications for appointment will be handled on a confidential basis.

### **How To Express Interest?**

A 'candidate pack' is available from the Opotiki District Council and may be requested either in writing to PO Box 44, Opotiki 3162 by e-mailing Nora Kelly email [norak@odc.govt.nz](mailto:norak@odc.govt.nz), or by calling at the offices of the Opotiki District Council at 108 St John Street, Opotiki.

Any person interested in appointment as a Trustee of the OCT should submit a written expression of interest, including a brief curriculum vitae, to:

Vaughan Payne  
Chief Executive  
Opotiki District Council  
PO Box 44  
OPOTIKI 3162

Any person considering expressing interest in this position is invited to contact Mr Payne on phone 07 315-3030.

### **Decision Making Process**

The Opotiki District Council will accept expressions of interest until 15 April 2008 and shall announce the successful appointees by 30 April 2008.

Opotiki District Council will be responsible for managing the appointment process. This will include the discretion to determine whether or not to interview one, some or all applicants.