





**Trust Funds**  
= \$13,451,761 (+11%)

Decent affordable housing with secure tenure to assist committed residents of the Queenstown Lakes District

## Contents

p3	Chairman's Report
p4	Operations Report
p6	A Renters Quandary
p8	Financial Statements
p10	Directory

Trustees outside one of the Trust's Shared Ownership properties at Kirimoko Park, Wanaka. Left to right: Peter Southwick, Joanne Conroy, Gigi Hollyer, Raymond Key, David Cole (retired Chairperson) and Stephen Brent.



# Chairman's Report



## 2015 – A year of growth and change for the Trust and the District.

It is common knowledge that the Queenstown & Wanaka Lakes District has been through a massive growth phase over the last 12 months and all predictions are that it will likely continue for some time. With the ongoing devastating effects of the Christchurch earthquake and the turbulent political unrest throughout the rest of the world, our District is attracting more tourists and workers than ever before. This is placing a huge demand on housing resources.

The Housing Trust is working extremely hard to try and meet some of the demand so 2015 saw the commencement of the construction of 44 houses in Shotover Country, which are all due to be completed later this year. This will mean that by the end of 2016, the Trust will have provided support for nearly 150 households, most of which would have likely had to leave town if not for the support of the Trust.

Regrettably, the government has continued to withhold funding of the community housing sector, directing its policies towards the social housing sector, including beginning to sell off its Housing New Zealand houses. From the Trust's perspective, whilst social housing is certainly a concern, the Trust is mainly tasked with trying to support low-moderate income workers, some of which are currently having to spend up to 60% of their incomes on housing or they are one of the 92% of the 1000 people surveyed who saw the cost and/or lack of housing as an impediment to them staying in the District.

It is yet to be seen whether the advent by the Government of the special housing areas (SHAs) will alleviate any of the housing issues faced by this District, however it has been pleasing that Council has required such developers to make a contribution to the Trust as part of gaining approval for their SHA. It is now only through the required contributions from developers that the Trust is able to assist families struggling under financial housing stress. The Trust is very thankful to those developers who have chosen to support the Trust.

The Trust would like to acknowledge and thank the sterling work of David Cole (past Chairperson), Barry Robertson, Dennis Pezaro, and Brian Donnelly as trustees of the Trust from 2007 to 2016. These four trustees have been trustees since inception of the Trust and are solely responsible for the current amazing health of the Trust. In particular, David Cole must be singled out for his unwavering passion and enthusiasm for the Trust and its objectives. The Trust and the Community owe many thanks to him and the other retiring trustees for their efforts.

We now have a completely new set of trustees who are looking to drive the Trust to better and greater things. Those trustees are Peter Southwick, Joanne Conroy, Gigi Hollyer, Raymond Key, and Martin Hawes. The Trust would also like to acknowledge the efforts of Councillors Forbes, Lawton and Stevens for seeking to better understand the Trust's objectives and foster a stronger working relationship with Council.

My particular thanks also to Julie Scott and Corina Sommerville who manage the day to day operations of the Trust and who deal face to face with all of our stakeholders including our households, Council, developers, the Community and the Crown. Their skill in managing all of these interested parties is phenomenal.

It is pleasing to look back on the efforts of the Trust however the demand for housing in this District seems to be outpacing us so we have lots to do. Considerable work is being done by the Trust at the moment and we hope to unveil a number of new products and solutions this coming year with the view to helping many more households.

Stephen Brent



# Operations Report

## A Housing Crisis

Our District has seen unprecedented growth over the past 12 months. Unfortunately housing demand far outstrips supply and we have reached a crisis level. We currently have 350 eligible households on our waiting list actively seeking assistance from the Trust. Over the past year, we have seen a huge surge in the number of young families seeking the Trust's assistance as they struggle to find affordable and secure permanent accommodation. The severe shortage of rental properties has driven up rents and the housing issue is no longer isolated to just the cost of purchasing a new home. Our 2016 Renter's survey provides meaningful data on the issue.

## Suffolk Street

Stage 2 of this project was completed within budget and on time in January 2016. This final stage provided a further four 3 bedroom homes for local residents on modest incomes, as well as two 2 bed properties for Senior Housing. We're delighted with the positive feedback from the community of the 10 properties which will remain as affordable rentals on behalf of the community in perpetuity.





## Shotover Country

At the end of last year we completed \$2m worth of civil works at our Shotover Country site and in January we commenced building 44 new affordable homes. In order to mitigate risk and expedite the construction phase, we separated the project into 3 blocks with 3 different building firms. This has resulted in a variety of house designs which are brought together through one comprehensive landscape masterplan. We have sold 33 of the properties into the Shared Ownership programme and will retain the remaining 11 in our rental portfolio. Priority for these rentals is being given to households who meet the Government's Social Housing criteria and qualify for an Income Related Rent.

## Riverside Development

We recently received title to 11 new sections at Riverside Park in Albert Town. We're currently working on the developed design of these properties and expect to commence construction in the latter half of 2016. The properties will be a mixed tenure of Shared Ownership and rentals.

## Special Housing Areas

Last year the local Council sought expressions of interest for Special Housing Areas (SHAs) under the recently signed Housing Accord. A Council requirement for any SHA applicants is that they need to make a provision for Community Housing. As a result of this, the Trust has signed agreements with a number of developers who are going through the SHA process and is due to receive contributions of land and/or cash as these developments unfold. The key value here is that any funds coming to QLCHT will be recycled continuously for the benefit of residents of the District.

## Wraparound Services

QLCHT continues to recognise the importance of wraparound services for its clients and works closely with other social service groups to ensure its clients get all the help they need. The Trust has recently joined a working party with representatives from Council, Happiness House, Salvation Army and Jigsaw to see what can be done to assist those most vulnerable members of our community.

*Julie Scott*

Executive Officer



## The Stats

As at 31 July 2016

### Total Households Helped

# Shared Ownership properties:	83
# Rent Saver properties:	6
# Affordable Rental properties:	8
# Senior Housing properties:	2
# Starter Loans Issued:	25
Avg Shared Ownership investment:	\$116,807
Sales/staircases:	35



SHOTOVER COUNTRY



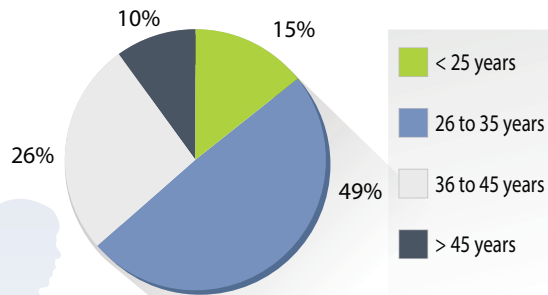
# A Renters Quandary

In April 2016, 1,147 tenants completed a comprehensive Renters Survey providing us valuable insight into what it's really like to rent in the Queenstown Lakes district, people's aspirations to buy their own home and the obstacles faced in achieving this dream.

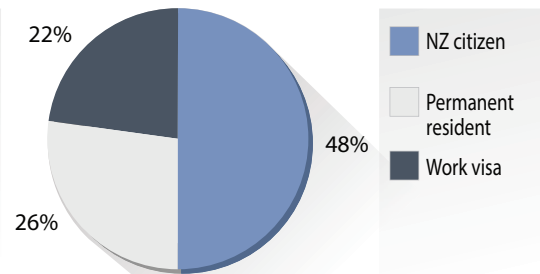
Here is a snapshot of what we discovered.

6

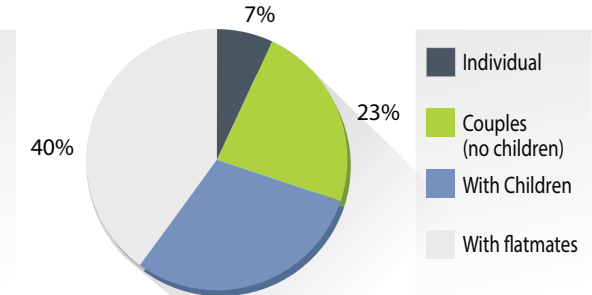
Age



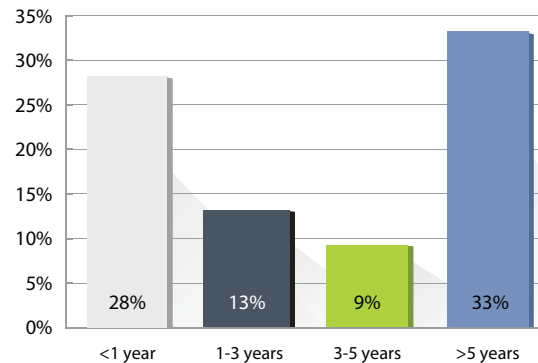
Residency Status



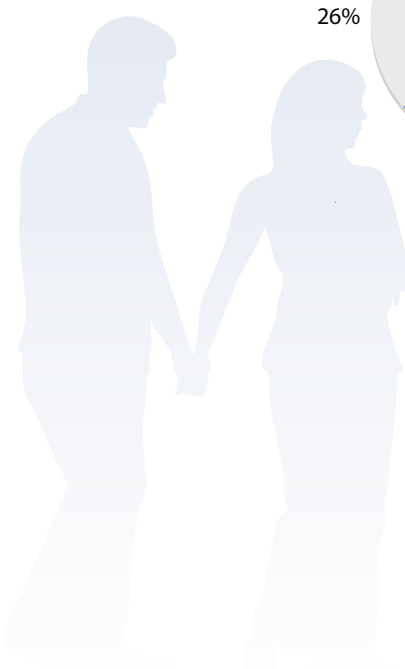
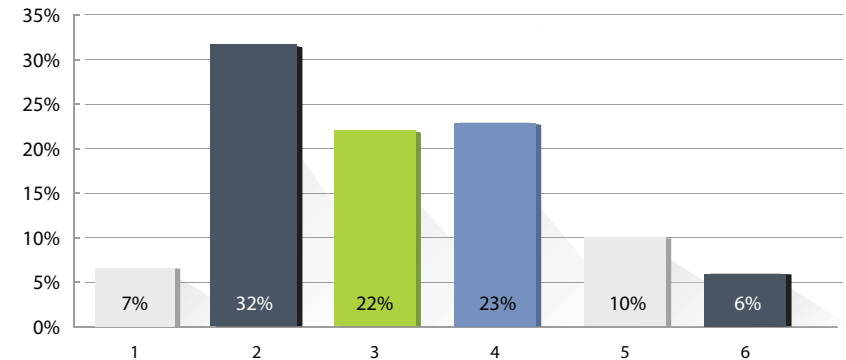
Household Configuration



Length of Time in Queenstown Lakes District



Number of Household Occupants



## Aspiration to Buy

**92%** of respondents felt that affordability is, or could be, a barrier to owning their own home in Queenstown Lakes.

Regardless of this, **77%** of respondents still aspire to own their own home in the Queenstown Lakes, with these same respondents saying that saving for a deposit was what stopped them buying in the shorter term.

**44%** hope to own their own home in the next two to five years and **33%** beyond five years.

While renting had previously been considered a satisfactory 'second best' outcome to owning your own home, the current rental environment of high rents, shortage of properties and lack of security means that renting is no longer a satisfactory option. First home buyers are feeling desperate to get on the property ladder in order to gain greater control and security.

But rents in the area have increased disproportionately with incomes, hindering the savings process and making it almost impossible to keep up with a soaring property market, where house prices increase quicker than savings.

And whilst that is the renters' quandary currently, many still aspire to put down roots in this beautiful part of the world. At the Queenstown Lakes Community Housing Trust, we are steadfast in our quest of finding ways to assist those who are committed and contributing to our community.



# Summary Consolidated Financial Statements

For the Year ended 31st March 2016

## Summary Statement of Movement in Equity

	Group 2016 \$	Group 2015 (Restated*) \$
Opening Balance	12,134,939	9,741,408
PLUS		
Surplus for the Year	1,316,822	2,395,531
BALANCE AT YEAR END	13,451,761	12,134,939

## Summary Statement of Comprehensive Revenue and Expense

	Group 2016 \$	Group 2015 (Restated*) \$
REVENUE FROM EXCHANGE TRANSACTIONS	1,550,657	2,234,681
REVENUE FROM NON-EXCHANGE TRANSACTIONS	462,000	650,000
OTHER INCOME	268,746	273,818
TOTAL INCOME	2,281,403	3,158,499
LESS EXPENSES		
ADMINISTRATION EXPENSES	129,322	90,133
OPERATING EXPENSES	89,117	49,791
FINANCE EXPENSES	367,880	251,418
OTHER EXPENSES	378,262	373,626
TOTAL EXPENSES	964,581	764,968
SURPLUS FOR THE YEAR	\$1,316,822	\$2,395,531

## Summary Statement of Financial Position

	Group 2016 \$	Group 2015 (Restated*) \$
EQUITY	13,451,761	12,134,939
NON CURRENT ASSETS	23,199,827	18,191,755
CURRENT ASSETS	2,973,034	1,944,456
TOTAL ASSETS	26,172,861	20,136,211
LESS LIABILITIES		
NON CURRENT LIABILITIES	6,606,565	7,724,200
CURRENT LIABILITIES	6,114,535	277,072
TOTAL LIABILITIES	12,721,100	8,001,271
NET ASSETS AS PER TOTAL EQUITY	13,451,761	12,134,939

## Summary Statement of Cash Flows

	Group 2016 \$	Group 2015 \$
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITY	1,208,451	2,420,477
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	(3,795,353)	(2,654,510)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	3,612,640	1,352,585
NET CASH INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,025,738	1,118,552
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,925,286	806,734
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2,951,024	1,925,286

\*Certain amounts shown here do not correspond to the 2015 financial statements and reflect adjustments made due to first time adoption of PBE Standards. Refer to note 1 for a reconciliation of the previously reported amounts to the restated amounts.



## Statement of Accounting Policies

**Reporting Entity** Queenstown Lakes Community Housing Trust operated in accordance with its Trust Deed and is governed by the requirements of the Trustee Act 1956. The Trust is a Public Benefit Entity.

These are the Summary Financial Statements for Queenstown Lakes Community Housing Trust for the year ended 31 March 2016. The specific disclosures included in the summary financial statements have been extracted from the full financial statements dated 19 July 2016. These summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements.

The full financial statements of the entity have been prepared in accordance with generally accepted accounting practice in New Zealand for general purpose financial reports. The summary financial statements comply with the Public Benefit Entity Standards Reduced Disclosure Regime as appropriate for Tier 2 not-for-profit public benefit entities.

The audit opinion on the full financial statements for the year ended 31 March 2016 was unqualified.

The summary financial statements were authorised for issue by the Trustees on 19 July 2016.

**Measurement Base** The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are followed in the preparation of these accounts.

The summary financial statements are presented in New Zealand dollars.

**Specific Accounting Policies** All Specific Accounting Policies have been applied on the same basis as those used in the full consolidated financial statements of the Trust.

**Changes in Accounting Policies** Other than the adoption of Public Benefit Entity accounting standards the impact of which is explained in note 1, there have been no changes in Accounting Policies. All policies have been applied on a basis consistent with those used in the last year.

## Notes to The Summarised Financial Statements

### 1. Effect of First Time Adoption of PBE Standards on Accounting Policies and Disclosures

This is the first set of financial statements of the Group that is presented in accordance with PBE Standards. The Group has previously reported in accordance with Old New Zealand GAAP. The impacts of adopting PBE Standards on the total net assets/equity are illustrated below:

Reconciliation of net assets/equity under Old NZ GAAP to that under PBE Standards:

	Group 1 April 2014 \$
Net assets/equity under Old NZ GAAP	8,748,374
Adjustments to accumulated comprehensive revenue and expense Recognition of non-exchange revenue from grants received (i)	993,034
NET ASSETS/EQUITY UNDER PBE STANDARDS	9,741,408

(i) Under old NZ GAAP certain grants were recognised on the Balance Sheet and amortised to surplus or deficit over the period of the grant. In the absence of conditions being attached to the grant the treatment under PBE Standards is to recognise the amount in surplus or deficit. The adjustment noted was to record the unamortised balance as at 1 April 2014 as an adjustment to opening retained earnings.

The full audited report is available on the Trust's website at [www.qlcht.org.nz](http://www.qlcht.org.nz)

# Deloitte.

## REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS TO THE TRUSTEES OF QUEENSTOWN LAKES COMMUNITY HOUSING TRUST

The accompanying summary financial statements of Queenstown Lakes Community Housing Trust (the 'Trust') on pages 8 to 9, which comprise the summary statement of financial position as at 31 March 2016, and the summary statement of comprehensive revenue and expense, summary statement of movement in equity and summary statement of cash flows for the year then ended, and related notes, are derived from the audited financial statements of the Trust for the year ended 31 March 2016. We expressed an unmodified audit opinion on those financial statements in our report dated audit report 19 July 2016.

The summary financial statements do not contain all the disclosures required for full financial statements under Public Benefit Entity Standards Reduced Disclosure Regime. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Trust.

This report is made solely to the Trustees, as a body, for the purpose of expressing an opinion on the summary financial statements for the year ended 31 March 2016. Our audit has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report on summary financial statements and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### Trustees' Responsibility for the Summary Financial Statements

The Trustees are responsible on behalf of the Trust for the preparation of a summary of the audited financial statements, in accordance with FRS-43: *Summary Financial Statements*.

### Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (New Zealand) (ISA (NZ)) 810: *Engagements to Report on Summary Financial Statements*.

Other than in our capacity as auditor and the provision of taxation advice, we have no relationship with or interests in the Queenstown Lakes Community Housing Trust. These services have not impaired our independence as auditor of the Trust.

### Opinion

In our opinion, the summary financial statements derived from the audited financial statements of the Trust for the year ended 31 March 2016 are consistent, in all material respects, with those financial statements, in accordance with FRS-43: *Summary Financial Statements*.



**Chartered Accountants**  
19 July 2016  
Dunedin, New Zealand

# Directory

Settlor	Graeme Morris Todd
Date Settled	15 January 2007
Date Of Incorporation	12 July 2007
Trustees	D A Cole (retired 31 March 2016) S R Brent P B Southwick G H A Hollyer J M Conroy R J Key (appointed 19 January 2016) M Hawes (appointed 1 April 2016)
Accountants	McCulloch & Partners, PO Box 64, Queenstown
Solicitors	Anderson Lloyd Lawyers, Queenstown Cavell Leitch, Queenstown
Bankers	ASB Bank, Queenstown SBS Bank, Queenstown
Auditors	Deloitte, Dunedin
IRD Number	97-121-805
Membership Organisations	Queenstown Community Link Queenstown Interagency Group Queenstown Chamber of Commerce Community Housing Aotearoa Australasian Housing Institute



**Newly Appointed Trustees**  
Martin Hawes and Raymond Key



# Senior Housing

This year QLCHT committed to two Affordable Rental new builds at its Suffolk Street project for “Senior Housing”. Households are prioritised according to those most in need.

## Eligibility Criteria

- ✓ All applicants must be over 65 years of age
- ✓ All tenancies are subject to the Residential Tenancies Act 1986
- ✓ All tenants must not have an interest in or own property
- ✓ Applicants must already be established in the district
- ✓ Household income must not exceed 90% of the area median
- ✓ Maximum net household assets of \$40,000 for a single person, or \$50,000 for a couple.

“ I can't believe how warm this fantastic house is. My health has improved and the way it has been designed makes it a pleasure to do tasks I struggled with in the past. Thank you QLCHT. Hope you can build a lot more. - Graeme Boland. ”



Graeme Boland with Trustee Martin Hawes at one of the Trust's Senior Housing units in Arrowtown.





"The Trust continues to play an active part in finding solutions to housing issues in this district. Queenstown Lakes District Council appreciates the Trust's support and involvement, and would like to acknowledge the time that Trustees give to their community. We look forward to maintaining our close working relationship with the Housing Trust as both our organisations continue to seek and support initiatives to provide decent, affordable housing for our community."

– Mayor Vanessa van Uden

