

Ōtautahi Community Housing Trust (Trust Variation) Bill

Private Bill

As reported from the Social Services and Community Committee

Commentary

Recommendation

The Social Services and Community Committee has examined the Ōtautahi Community Housing Trust (Trust Variation) Bill and recommends that it be passed. We recommend all amendments unanimously.

About the bill as introduced

This is a private bill sponsored by Hon Dr Megan Woods. The bill seeks to vary the terms of the Ōtautahi Community Housing Trust to allow for an expansion of the Trust's operations beyond Christchurch and Banks Peninsula.

Background

The Ōtautahi Community Housing Trust is a registered community housing provider created on 19 February 2016. The Trust is a charitable trust registered under the Charities Act 2005, and incorporated as a board under the Charitable Trusts Act 1957.

The Trust was originally established to manage the Christchurch City Council's community housing portfolio. It aims to address housing supply and affordability issues in Christchurch by increasing the supply of social housing. The trust deed was amended in 2017 to include Banks Peninsula in its area of operation. More recently, the Trust agreed with the Greater Christchurch Partnership to investigate options to expand the trust model as part of a Joint Housing Action Plan adopted in 2023. The Trust and council believe there is significant demand for the Trust's services beyond the current geographical area.

Reasons for introducing the bill to Parliament

For the Trust to expand its geographical coverage, its purpose would need to be amended in the trust deed. The amendment clause prevents trustees from making alterations to the trust deed to operate outside Christchurch and Banks Peninsula as it is inconsistent with the Trust's purpose. We were told that legislation is needed to amend the Trust's purpose. We are satisfied that the statements in the preamble have been proved.

Proposed amendments

Our main amendments are to Part 4 of the bill's Schedule, which would replace the winding up clause in the trust deed to reflect the geographic expansion of the Trust's area of operation.

Background: Winding up of a charitable trust

The general rule under the common law is that a charitable trust cannot be terminated or wound up; usually these trusts are intended to continue in perpetuity. However, the terms of the deed may provide for winding up the trust in certain circumstances. Clause 25 of the trust deed lays out the procedure to follow in the event of the Trust being wound up.

Proposed amendments to the Trust's winding up clause

As introduced, Part 4 of the bill's Schedule would replace clause 25.2 of the trust deed. We recommend additional amendments in clause 25.

We recommend replicating clause 25.1 to reflect the current wording in the deed, which states that the Trust may be wound up at any time on a unanimous resolution of all the trustees.

The bill as introduced would not restrict or limit the distribution of assets in the event that the trust was wound up. It would allow trustees to exercise judgement. We understand the intention is that trustees would distribute remaining assets to charitable purposes in the regions in which they had been developed. However, the bill would not impose any requirement to this effect. We would like to see some protection over the proportional distribution of the Trust's assets, and consider it appropriate to formalise the intent to prioritise local organisations in the event of a wind-up. We recommend the following amendments to address this.

We recommend inserting clause 25.3 as a guiding principle that the board must have regard to when transferring the Trust assets. To the extent reasonably practicable, assets should be transferred to organisations that can apply them for the benefit of people living in the geographical area where the assets were located, acquired, or developed.

We also recommend inserting clause 25.4 to reflect the current wording in the deed, that if the board is unable to make decisions in accordance with clause 25, the Trust assets must be disposed of in accordance with the direction of the High Court under section 27 of the Charitable Trusts Act 1957.

Appendix

Committee process

The Ōtautahi Community Housing Trust (Trust Variation) Bill was referred to this committee on 18 February 2026. We invited the member in charge of the bill to provide an oral submission on the bill. She did so on 22 April 2026.

We called for submissions on the bill with a closing date of 3 April 2026. We received and considered submissions from 9 interested groups and individuals. We heard oral evidence from 5 submitters at hearings in Wellington and via videoconference.

Advice on the bill was provided by the Ministry of Justice. We consulted with the promoter of the bill, the Ōtautahi Community Housing Trust. The Office of the Clerk provided advice on the bill's legislative quality. The Parliamentary Counsel Office assisted with legal drafting.

As part of our consideration of the bill, we have examined its consistency with principles of legislative quality. We have no issues regarding the legislation's design to bring to the attention of the House.

Committee membership

Joseph Mooney (Chairperson)

Jamie Arbuckle

Kahurangi Carter

Dana Kirkpatrick

Laura McClure

Hon Willow-Jean Prime (from 25 March 2026)

Maureen Pugh

Hon Jan Tinetti (from 18 February until 25 March 2026)

Helen White

Mariameno Kapa-Kingi also participated in our consideration.

Related resources

The documents we received as advice and evidence are available on the Parliament website.

**Ōtautahi Community Housing Trust (Trust Variation)
Bill**

Key to symbols used in reprinted bill

As reported from a select committee

text inserted unanimously

~~text deleted unanimously~~

Hon Dr Megan Woods

Ōtautahi Community Housing Trust (Trust Variation) Bill

Private Bill

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Preamble

- (1) Ōtautahi Community Housing Trust (the **trust**) is a registered community housing provider and registered charitable trust, registration number CC53251:
- (2) By deed dated 19 February 2016 (the **trust deed**), the trust was settled by its original trustees (being Vicki Susan Buck, Andrew Turner, Paul Lonsdale, Alexander Michael George Skinner, Lloyd Matthew Mander, Pamela Joy Sharpe, and Stephen Leslie Phillips) to manage the Christchurch City Council's community housing portfolio, and address housing supply and affordability

- issues in Christchurch and Banks Peninsula, including through development of new social housing in Christchurch:
- (3) The trust’s charitable purpose is set out in clause 4.1 of its trust deed as “The Trust is established and to be maintained to provide Social and Affordable Rental Housing and associated services in Christchurch and Banks Peninsula for the relief of Social Housing Tenants, for the benefit of such tenants and the wider community and not for the private pecuniary profit of any individual (provided that the provision of Social Rental Housing to a Social Housing Tenant does not constitute private pecuniary profit of that Social Housing Tenant) (“the Purpose”)”: 5
 - (4) For context, the trust deed was amended in 2017 to include a reference to Banks Peninsula in the description of the charitable purpose of the trust. This was to make it clear (to avoid doubt) that Banks Peninsula is part of Christchurch, being a community board and ward within the Christchurch City Council district: 10
 - (5) The trust agreed with the Greater Christchurch Partnership, which includes local authorities, mana whenua, and government agencies, to investigate options to expand the trust model as part of a Joint Housing Action Plan adopted in December 2023: 15
 - (6) Those investigations identified significant demand for the trust’s services beyond Christchurch and Banks Peninsula. The trust considers expanding the area of its operations will help provide greater access to quality housing for those in need, lower the cost of delivering services, and generate surpluses that can be reinvested into advancing the trust’s charitable purpose. The proposal is supported by Christchurch City Council: 20
 - (7) However, the trust is prevented from expanding its operations in this way by its trust deed. The references to Christchurch and Banks Peninsula in the purpose clause of the trust deed, and elsewhere in the deed, prevent the trust from operating outside of those specified areas. To allow the trust to operate outside of Christchurch and Banks Peninsula, the trust deed must be amended to remove those restrictions: 25
 - (8) The amendment clause in the trust deed prohibits alterations to the trust deed that would permit the trust to operate, or any profits or surplus of the trust to be distributed or applied, other than to advance the trust’s existing purpose. Therefore, the trust’s purpose cannot be amended to allow the trust to operate outside of Christchurch and Banks Peninsula, as doing so would be inconsistent with the existing purpose: 30
 - (9) Legal advice received by the trust indicates that an application to the High Court to vary the trust’s purpose—under the Charitable Trusts Act 1957 or the Trusts Act 2019, or pursuant to the High Court’s inherent jurisdiction—is also highly unlikely to succeed. Under section 32 of the Charitable Trusts Act 1957, a charitable trust deed can be amended to allow trust property to be applied for 35

a charitable purpose other than that prescribed by the instrument creating the trust only in limited circumstances, including if it has become “impossible or impracticable or inexpedient to carry out that purpose, or the amount available is inadequate to carry out that purpose, or that purpose has been effected already, or that purpose is illegal or useless or uncertain”. None of those circumstances apply here: 5

- (10) Accordingly, the trust considers that the objects of this Act cannot be achieved other than by legislation.

The Parliament of New Zealand therefore enacts as follows:

1 Title 10

This Act is the Ōtautahi Community Housing Trust (Trust Variation) Act **2025**.

2 Commencement

This Act comes into force on the day after Royal assent.

Part 1 15

Preliminary provisions

3 Purpose

The purpose of this Act is to vary the terms of the Ōtautahi Community Housing Trust to allow for an expansion of the trust’s operations outside of Christchurch and Banks Peninsula. 20

4 Interpretation

In this Act, unless the context otherwise requires,—

board means the board of the trust (a board incorporated under the Charitable Trusts Act 1957)

commencement date means the date on which this Act comes into force 25

trust means the Ōtautahi Community Housing Trust established by the trust deed

trust deed—

- (a) means the Deed of Charitable Trust - Ōtautahi Community Housing Trust dated 19 February 2016 between Vicki Susan Buck, Andrew 30
Turner, Paul Lonsdale, Alexander Michael George Skinner, Lloyd Matthew Mander, Pamela Joy Sharpe, and Stephen Leslie Phillips to form a charitable trust to achieve the trust deed purpose; and
- (b) includes all amendments to the trust deed since that date.

Part 2

Purpose of trust and other matters

5 Terms of trust varied

- (1) On and from the commencement date, the terms of the trust are varied and the trust deed must be read as if— 5
 - (a) the following definitions in clause 1.1 (interpretation) of the trust deed were replaced by the item set out in **Part 1 of the Schedule**:
 - (i) **Housing Related Charitable Purpose**; and
 - (ii) **Social Housing Tenants**; and
 - (b) clause 4.1 of the trust deed (purpose) were replaced by the item set out in **Part 2 of the Schedule**; and 10
 - (c) clause 9.5(b) of the trust deed (board appointments panel) were replaced by the item set out in **Part 3 of the Schedule**; and
 - (d) ~~clause 25.2~~ 25 of the trust deed (winding up) were replaced by the ~~item~~ items set out in **Part 4 of the Schedule**. 15
- (2) The trust must, as soon as practicable after the commencement date, arrange for a copy of this section and the **Schedule** to be lodged with the Charities Register and the Charitable Trusts Register.
- (3) Despite anything in this Act,—
 - (a) the provisions of the Charitable Trusts Act 1957 continue to apply to the trust and the board as if the amendments made by this Act were set out in the trust deed and not in this Act; and 20
 - (b) the board may amend the trust deed as if the amendments made by this Act were set out in the trust deed and not in this Act.

Schedule

Replacement terms of trust deed

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Part 1

Replacement definitions in clause 1.1 (Interpretation) 5

“**Housing Related Charitable Purpose**” means any purpose that is charitable in accordance with the laws of New Zealand and falls within the definition of “charitable purpose” in section 5 of the Charities Act where that purpose involves, or relates to, the provision of housing for the benefit of the communities in Christchurch and Banks Peninsula, and other areas as determined from time to time by the trustees, and includes the Trust Purpose. 10

“**Social Housing Tenants**” means the residents of Christchurch and Banks Peninsula, and other areas as determined from time to time by the trustees, who are suffering genuine hardship or need, including without limitation the elderly, the young, the disabled, the unemployed and other low-income people. 15

Part 2

Replacement clause 4.1 (Purpose)

- 4.1 The Trust is established and to be maintained to provide Social and Affordable Rental Housing and associated services in Christchurch and Banks Peninsula, and other areas as determined from time to time by the trustees, for the relief of Social Housing Tenants, for the benefit of such tenants and the wider community and not for the private pecuniary profit of any individual (provided that the provision of Social Rental Housing to a Social Housing Tenant does not constitute private pecuniary profit of that Social Housing Tenant) (the **Purpose**). 20

Part 3

25

Replacement clause 9.5(b) (Board Appointments Panel)

- (b) an empathy with the people for whom the Trust would provide social or affordable housing; ~~housing~~; 25

Part 4

Replacement clause ~~25.2~~ 25 (Winding Up) 30

25 Winding Up

- 25.1 The Trust may be wound up at any time on a unanimous resolution of all the Trustees at a meeting of the Trustees called for that purpose.

Schedule	Ōtautahi Community Housing Trust (Trust Variation) Bill	
25.2	In the event of the Trust being wound up and after all liabilities of the Trust have been discharged the Board shall <u>must</u> transfer all remaining funds and assets comprising the Trust Assets to any one or more organisations operating in Christchurch or Banks Peninsula, or any other areas in which the Trust provides services, for those assets to be applied for the advancement of exclusively charitable purposes, and in particular for the Purpose or any other Housing Related Charitable Purpose. The receipt of the treasurer or secretary or other proper officer of such regional trusts or organisations shall be a <u>is</u> sufficient discharge to the Board and the Board will not be bound to further see the application of those funds and assets.	5 10
25.3	<u>When transferring the Trust Assets under clause 25.2, the Board must have regard to the principle that, if and to the extent reasonably practicable, the Trust Assets will be transferred to one or more organisations who can apply those assets for the benefit of people living in the geographical area in which those assets were generated, acquired, developed, or (in the case of physical buildings) situated.</u>	15
25.4	<u>If the Board determines that it is unable to make decisions about the transfer of the Trust Assets in accordance with clauses 25.2 and 25.3, the Trust Assets must be disposed of in accordance with the directions of the High Court under section 27 of the Charitable Trusts Act 1957.</u>	20

Legislative history

17 December 2025	Introduction (Bill 241–1)
18 February 2026	First reading and referral to Social Services and Community Committee