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# Appointments and Performance Review Committee

## OPEN MINUTES

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Minutes of a meeting of the Appointments and Performance Review Committee held in the Room 1, Level 26, 135 Albert St, Auckland on Monday, 25 September 2017 at 9.31am.

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### PRESENT

**Chairperson** Mayor Hon Phil Goff, CNZM, JP  
**Deputy Chairperson** Cr Hon Christine Fletcher, QSO  
**Members** Cr Chris Darby  
Cr Richard Hills  
Cr Desley Simpson, JP

**Ex-officio** Deputy Mayor Bill Cashmore

### ABSENT

Cr Penny Hulse

### ALSO PRESENT

Cr Cathy Casey

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**1 Apologies**

Resolution number APP/2017/62

MOVED by Mayor P Goff, seconded by Deputy Mayor B Cashmore:

**That the Appointments and Performance Review Committee:**

- a) **accept the apology from Cr Penny Hulse for absence.**

**CARRIED**

**2 Declaration of Interest**

Mayor P Goff subsequently declared an interest in Item C1 – Appointment of directors to the boards of Watercare Services Limited and Auckland Tourism, Events and Economic Development Limited, clause b).

**3 Confirmation of Minutes**

Resolution number APP/2017/63

MOVED by Mayor P Goff, seconded by Deputy Chairperson C Fletcher:

**That the Appointments and Performance Review Committee:**

- a) **confirm the ordinary minutes of its meeting, held on Thursday, 7 September 2017, including the confidential section, as a true and correct record.**

**CARRIED**

**4 Petitions**

There were no petitions.

**5 Public Input**

There was no public input.

**6 Local Board Input**

There was no local board input.

**7 Extraordinary Business**

There was no extraordinary business.

**8 Notices of Motion**

There were no notices of motion.

**9 Process for the appointment of new directors to Panuku Development Auckland Limited, Watercare Services Limited, and Auckland Tourism, Events and Economic Development Limited**

Resolution number APP/2017/64

MOVED by Mayor P Goff, seconded by Deputy Chairperson C Fletcher:

**That the Appointments and Performance Review Committee:**

- a) **note the appointment process for the director vacancies on the boards of Auckland Tourism, Events and Economic Development Limited, Watercare Services Limited, and Panuku Development Auckland Limited**
- b) **note that reports on the confidential agenda will recommend candidates for appointment to the boards of Watercare Services Limited, Auckland Tourism, Events and Economic Development Limited and candidates to be interviewed for the vacancy on the board of Panuku Development Auckland Limited.**

**CARRIED**

**10 Review of the Appointment and Remuneration Policy for Board Members of Council Organisations**

Note: Clause d) was amended and clause g) incorporated with the agreement of the meeting.

Resolution number APP/2017/65

MOVED by Mayor P Goff, seconded by Deputy Chairperson C Fletcher:

**That the Appointments and Performance Review Committee:**

- a) **note that a number of structural and editorial improvements which do not result in any change the meaning of the Auckland Council Appointment and Remuneration Policy for Board Members of Council Organisations (the policy), have been made to the draft revised policy.**
- b) **agree the proposed minor amendments and improvements to the policy as set out in attachment A and B, that cover:**
  - i) **definitions and objectives of the policy**
  - ii) **clarity on the considerations for appointments**
  - iii) **remuneration of board members nominated by the New Zealand Transport Agency**
  - iv) **appointments to multiply owned council-controlled organisations**
  - v) **non-eligibility of disqualified directors**
  - vi) **a requirement for board members to have formal governance training or have the requisite governance experience**
  - vii) **the additional competencies required of board chairs of substantive council-controlled organisations and the role of the board chair and deputy chair**
  - viii) **the responsibility of the selection panel and the committee to assess the interests of candidates, and in making a recommendation where a potential conflict of interest has been identified ensuring that the conflicts of interest can be managed**

- ix) clarity that Auckland Council supports the payment by substantive council-controlled organisations of directors liability insurance and the indemnification of directors.
- c) agree the substantive policy amendments as set out in attachment A and C, that cover:
  - i) Auckland Council's policy on board diversity and inclusion
  - ii) a single selection panel for each substantive council-controlled organisation appointment process, with councillors drawn from an enduring pool of no less than four and no more than 10 members of the Governing Body
  - iii) that members of the enduring pool are appointed by the committee which holds the delegation at the beginning of the electoral term and that membership of the enduring pool may be amended from time to time by resolution of the committee.
- d) agree that further clarity will be added to the policy about the eligibility and remuneration of elected members to the boards of smaller council organisations and that staff appointments are generally not recommended to these entities
- e) delegate to the governance director and chair or deputy chair of the committee, the ability to make any further amendments to the policy agreed at its meeting
- f) agree that in the event that the Local Government Act 2002 Amendment Bill (2) is passed, as currently drafted, amend section 8.7.1 of the policy to give effect to the new requirement to consider whether knowledge of Tikanga Māori may be of relevance to the governance of a council-controlled organisation.
- g) note that all Governing Body members were invited to provide input to the Review of the Appointment and Remuneration Policy for Board Members of Council Organisations.

**CARRIED**

**11 Substantive council-controlled organisations, board remuneration update review**

Note: Changes to the original motion were incorporated by way of addition of new clause a) with the agreement of the meeting.

Resolution number APP/2017/66

MOVED by Mayor P Goff, seconded by Deputy Chairperson C Fletcher:

**That the Appointments and Performance Review Committee:**

- a) note that there have been no remuneration increases for directors of council-controlled organisations for five years.
- b) note that the six council-controlled organisations are still accurately positioned within the three remuneration bands.
- c) approve an increase to base director fees for Auckland Council Investments Limited from \$35,525 to \$36,000 reflecting a 1.25 per cent adjustment for market movement.
- d) approve an increase to base director fees for Auckland Tourism, Events and Economic Development Limited and Regional Facilities Auckland from \$40,600 to \$41,100 reflecting a 1.25 per cent adjustment for market movement.
- e) approve an increase to base director fees for Panuku Development Auckland Limited, Watercare Services Limited and Auckland Transport from \$53,300 to \$54,000 reflecting a 1.25 per cent adjustment for market movement.

- f) note the fees for council-controlled organisations chairs, deputy chairs and committee chairs will increase in accordance with new base fees multiplied by a factor of 2, 1.25, and 1.15 respectively, in accordance with the council's Appointment and Remuneration Policy for board members.

**CARRIED**

**12 Process for undertaking the chief executive's performance review**

Resolution number APP/2017/67

MOVED by Mayor P Goff, seconded by Deputy Chairperson C Fletcher:

**That the Appointments and Performance Review Committee:**

- a) note the process for undertaking the chief executive's performance review that will be undertaken in the confidential agenda.

**CARRIED**

**13 Consideration of Extraordinary Items**

There was no consideration of extraordinary items.

**14 Procedural motion to exclude the public**

Resolution number APP/2017/68

MOVED by Mayor P Goff, seconded by Deputy Chairperson C Fletcher:

**That the Appointments and Performance Review Committee:**

- a) exclude the public from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

**11 Substantive council-controlled organisations, board remuneration update review - Attachment B - New Zealand Directors' Fees Report 2017 (Executive Summary)**

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

	In particular, the report is the intellectual property of Strategic Pay limited and is confidential information provided to Auckland Council to assist with its decisions regarding remuneration for the directors of council-controlled organisations.	
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**C1 Appointment of directors to the boards of Watercare Services Limited and Auckland Tourism, Events and Economic Development Limited**

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.  In particular, the report contains private information about the appointment of directors to the boards of Watercare Services Limited and Auckland Tourism, Events and Economic Development Limited.	s48(1)(a)  The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

**C2 Shortlisting candidates for the director vacancy on the board of Panuku Development Auckland Limited**

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.  In particular, the report contains information regarding the candidates who have applied to be directors on the board of Panuku Development Auckland Limited	s48(1)(a)  The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

**C3 Chief Executive Performance Review**

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.  s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or	s48(1)(a)  The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

	<p>disadvantage, negotiations (including commercial and industrial negotiations).</p> <p>In particular, during this item, the committee will examine and discuss progress against agreed performance objectives for the Chief Executive, including possible discussion about future objectives, terms of employment and remuneration.</p>	
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The text of these resolutions is made available to the public who are present at the meeting and form part of the minutes of the meeting.

**CARRIED**

10.16am The public was excluded.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available.

12.07pm The public was re-admitted.

### **RESTATEMENTS**

It was resolved while the public was excluded:

#### **C1 Appointment of directors to the boards of Watercare Services Limited and Auckland Tourism, Events and Economic Development Limited**

Resolution number APP/2017/69

MOVED by Deputy Chairperson C Fletcher, seconded by Deputy Mayor B Cashmore:

That the Appointments and Performance Review Committee:

- e) note the decisions in a), b) and d) above will be made publicly available after the conclusion of the appointment process, but the agenda report and attachments will remain confidential.

#### **C2 Shortlisting candidates for the director vacancy on the board of Panuku Development Auckland Limited**

Resolution number APP/2017/70

MOVED by Cr C Darby, seconded by Deputy Mayor B Cashmore:

That the Appointments and Performance Review Committee:

- b) agree that the reports and attachments will remain confidential, but after the appointment process is concluded, decisions about the successful candidate will be made publicly available.

**C3 Chief Executive Performance Review**

Resolution number APP/2017/71

MOVED by Mayor P Goff, seconded by Deputy Chairperson C Fletcher:

- c) agree that the report and attachments will remain confidential, but after the formal review is concluded, attachments A to C will be made publicly available.

12.07 pm

The Chairperson thanked Members for their attendance and attention to business and declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD  
AT A MEETING OF THE APPOINTMENTS AND  
PERFORMANCE REVIEW COMMITTEE HELD ON

**DATE:**.....

**CHAIRPERSON:**.....