

I hereby give notice that an ordinary meeting of the Appointments and Performance Review Committee will be held on:

**Date:** Thursday, 1 March 2018  
**Time:** 9.30am  
**Meeting Room:** Room 1, Level 26  
**Venue:** 135 Albert St  
Auckland

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## **Komiti Tohu me te Arotake Tūranga Mahi Appointments and Performance Review Committee**

### **OPEN AGENDA**

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#### **MEMBERSHIP**

<b>Chairperson</b>	Hon Phil Goff, CNZM, JP
<b>Deputy Chairperson</b>	Hon Christine Fletcher, QSO
<b>Members</b>	Cr Chris Darby Cr Richard Hills Cr Penny Hulse Cr Desley Simpson, JP
<b>Ex-officio</b>	Deputy Mayor Bill Cashmore IMSB Chair David Taipari

(Quorum 3 members)

**Suad Allie**  
**Governance Advisor**

**22 February 2018**

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## Terms of Reference

### Responsibilities

The Appointments and Performance Review Committee is established to:

1. Review the chief executive's performance and to recommend to the Governing Body the terms and conditions of the CE's employment including any performance agreement measures and annual remuneration.
2. Make appointments to Council-Controlled Organisations (CCOs), Council Organisations (COs) and exempt CCOs and COs.
3. Approve policies relating to the appointment of directors and trustees to CCOs and COs.

### Powers

All powers necessary to perform the committee's responsibilities.

#### Except:

- (a) powers that the Governing Body cannot delegate or has retained to itself (section 2)
- (b) where the committee's responsibility is limited to making a recommendation only
- (c) the power to establish sub-committees

## **Exclusion of the public – who needs to leave the meeting**

### **Members of the public**

All members of the public must leave the meeting when the public are excluded unless a resolution is passed permitting a person to remain because their knowledge will assist the meeting.

### **Those who are not members of the public**

#### General principles

- Access to confidential information is managed on a “need to know” basis where access to the information is required in order for a person to perform their role.
- Those who are not members of the meeting (see list below) must leave unless it is necessary for them to remain and hear the debate in order to perform their role.
- Those who need to be present for one confidential item can remain only for that item and must leave the room for any other confidential items.
- In any case of doubt, the ruling of the chairperson is final.

#### Members of the meeting

- The members of the meeting remain (all Governing Body members if the meeting is a Governing Body meeting; all members of the committee if the meeting is a committee meeting).
- However, standing orders require that a councillor who has a pecuniary conflict of interest leave the room.
- All councillors have the right to attend any meeting of a committee and councillors who are not members of a committee may remain, subject to any limitations in standing orders.

#### Independent Māori Statutory Board

- Members of the Independent Māori Statutory Board who are appointed members of the committee remain.
- Independent Māori Statutory Board members and staff remain if this is necessary in order for them to perform their role.

#### Staff

- All staff supporting the meeting (administrative, senior management) remain.
- Other staff who need to because of their role may remain.

#### Local Board members

- Local Board members who need to hear the matter being discussed in order to perform their role may remain. This will usually be if the matter affects, or is relevant to, a particular Local Board area.

#### Council Controlled Organisations

- Representatives of a Council Controlled Organisation can remain only if required to for discussion of a matter relevant to the Council Controlled Organisation.

<b>ITEM</b>	<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
1	Apologies	7
2	Declaration of Interest	7
3	Confirmation of Minutes	7
4	Petitions	7
5	Public Input	7
6	Local Board Input	7
7	Extraordinary Business	7
8	Notices of Motion	8
9	Process for appointments to the board of the Auckland Regional Amenities Funding Board	9
10	Programme for board appointments to Auckland Council's council-controlled organisations for 2018	15
11	Consideration of Extraordinary Items	
<b>PUBLIC EXCLUDED</b>		
12	Procedural Motion to Exclude the Public	19
C1	Board appointments to the Auckland Regional Amenities Funding Board	19
C2	2018 Board Appointment programme for council-controlled organisations	19



## 1 Apologies

An apology from Cr R Hills has been received.

## 2 Declaration of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

## 3 Confirmation of Minutes

That the Appointments and Performance Review Committee:

- a) confirm the ordinary minutes of its meeting, held on Thursday, 1 February 2018, including the confidential section, as a true and correct record.

## 4 Petitions

At the close of the agenda no requests to present petitions had been received.

## 5 Public Input

Standing Order 7.7 provides for Public Input. Applications to speak must be made to the Governance Advisor, in writing, no later than **one (1) clear working day** prior to the meeting and must include the subject matter. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders. A maximum of **thirty (30) minutes** is allocated to the period for public input with **five (5) minutes** speaking time for each speaker.

At the close of the agenda no requests for public input had been received.

## 6 Local Board Input

Standing Order 6.2 provides for Local Board Input. The Chairperson (or nominee of that Chairperson) is entitled to speak for up to **five (5) minutes** during this time. The Chairperson of the Local Board (or nominee of that Chairperson) shall wherever practical, give **one (1) day's** notice of their wish to speak. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders.

This right is in addition to the right under Standing Order 6.1 to speak to matters on the agenda.

At the close of the agenda no requests for local board input had been received.

## 7 Extraordinary Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

- (a) The local authority by resolution so decides; and
- (b) The presiding member explains at the meeting, at a time when it is open to the public,-

- (i) The reason why the item is not on the agenda; and
- (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

- (a) That item may be discussed at that meeting if-
  - (i) That item is a minor matter relating to the general business of the local authority; and
  - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

## 8 Notices of Motion

There were no notices of motion.



## Process for appointments to the board of the Auckland Regional Amenities Funding Board

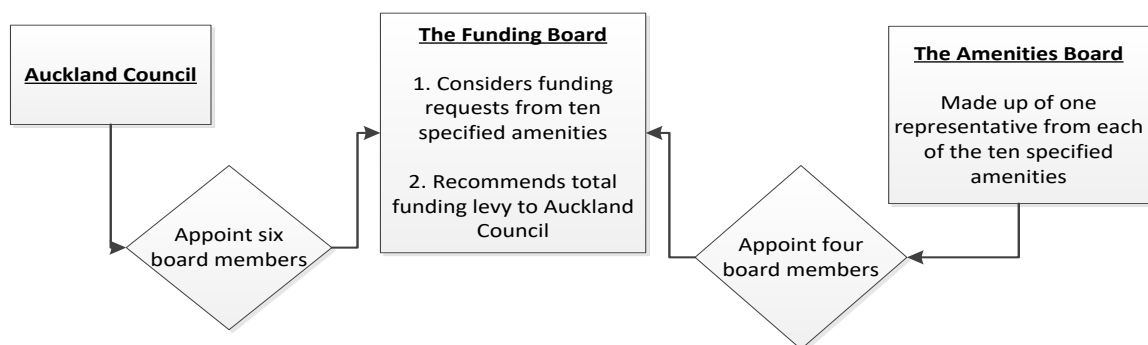
File No.: CP2018/00073

### Te take mō te pūrongo / Purpose of the report

1. To approve the process for appointments to the board of the Auckland Regional Amenities Funding Board (the Funding Board) including approving the skill requirements and the selection panel.

### Whakarāpopototanga matua / Executive summary

2. The Auckland Regional Amenities Funding Act 2008 (the Act) established a model for funding ten specified regional amenities.<sup>1</sup> The Act established two administrative bodies, the Funding Board and the Amenities Board.
3. The Funding Board assesses funding applications from the regional amenities and allocates the funding from Auckland Council to the amenities.
4. As shown in the diagram below, the Amenities Board makes four of the ten available appointments to the Funding Board. Auckland Council appoints the remaining six board members (one of which must represent the interests of Māori in Auckland).



5. Four of the current Funding Board members' terms are due to end on 31 May 2018. Two are council appointments and two are Amenities Board appointments. The Amenities Board will undertake a joint appointment process with council.
6. The Auckland Council's Appointment and Remuneration Policy for Board Members of Council Organisations (the policy) was reviewed in 2017. This policy guides the process for appointing directors to any council-controlled organisation and external partnership board and is outlined below.
7. While the Funding Board is not a council-controlled organisation, staff advise that it is appropriate to apply the principles of the board appointment policy to the Funding Board appointments.
8. The Appointments and Performance Committee (the committee) must decide whether to reappoint the two board members whose term is due to end in May 2018. If the committee decides not to reappoint the two current board members it must also make decisions about the:
  - skill requirements as outlined within the Act
  - appointment of the selection panel members.
9. The confidential report on this agenda provides advice and options to assist the committee to make decisions on the two council appointees whose tenure expires.

<sup>1</sup> Auckland Observatory and Planetarium Trust Board; Auckland Philharmonia; Auckland Regional Rescue Helicopter Trust; Auckland Theatre Company Limited; Coast Guard Northern Region Incorporated; New Zealand National Maritime Museum

Trust Board; New Zealand Opera Limited; Surf Life Saving Northern Region Incorporated; The Auckland Festival Trust; Drowning Prevention Auckland

## Item 9 Ngā tūtohunga / Recommendation/s

That the Appointments and Performance Review Committee:

- a) note that the Amenities Board have agreed to undertake a joint process with the Auckland Council (if required) for council's 2018 board appointments
- b) approve that the board appointment approach for council's appointments to Auckland Regional Amenities Funding Board, be consistent with Auckland Council's Board Appointment and Remuneration Policy
- c) note that Amenities Board Representatives will be active in this process
- d) note that a confidential report is included on today's committee agenda and provides information regarding the two board members appointed by Auckland Council whose tenure ends on 31 May 2018. This report is confidential because it contains personal information regarding the directors.

## Horopaki / Context

### Opportunity

10. Four of the current Funding Board members' terms of appointment are due to end on 31 May 2018. Two are appointed by council (Lyn Lim and Diane Maloney) and two are appointed by the Amenities Board (Stephen Bootten and Catherine Harland).

### Decision-making authority

#### Auckland Regional Amenities Funding Act 2008

11. In 2008 the Auckland Regional Amenities Funding Act 2008 (the Act) established a mechanism to provide adequate, sustainable and secure funding for ten specified amenities that provide arts, education, rescue or community facilities or services to the Auckland region.
12. The Acts two administrative bodies are the Funding Board and the Amenities Board.
13. The Amenities Board is made up of one representative from each of the ten specified amenities and its primary function is to make appointments to the Funding Board.
14. Auckland Council appoints six members to the Funding Board, one of which must represent the interests of Māori in the Auckland region, and the Amenities Board appoints four board members.

### Previous decisions

15. On 1 February 2017 the committee reappointed Vern Walsh and Anita Killeen to the Funding Board.
16. On 4 May 2017 the committee approved the appointment of Precious Clark to represent the interests of Māori across the region, and Victoria Carter. The two new board members were appointed for three years, from 1 June 2017 until 31 May 2020.

## Funding Board members

17. The composition of the Funding Board is shown in the table below:

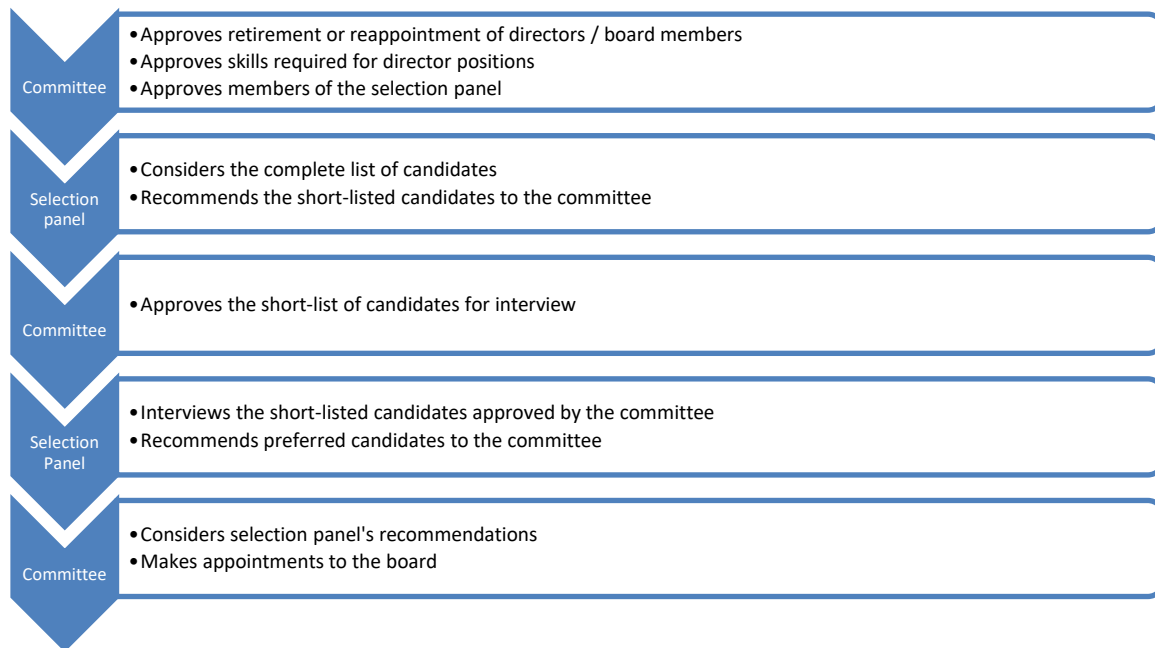
Member	Appointed by	Term of office ends	
		31 May 2018	31 May 2020
Vern Walsh (Chair)	Auckland Council		member since 2009
Anita Killeen (Deputy Chair)	Auckland Council		member since 2011
Victoria Carter	Auckland Council		member since 2017
Precious Clark (Maori member)	Auckland Council		member since 2017
Diane Maloney	Auckland Council	member since 2012	
Lyn Lim	Auckland Council	member since 2012	
Steve Bootten	Amenities Board	member since 2015	
Catherine Harland	Amenities Board	member since 2015	
Bryan Mogridge	Amenities Board		member since 2017
Megan McSweeney	Amenities Board		member since 2017

18. The Amenities Board has agreed to participate in a joint appointment process with the council. This will help ensure that there is a good mix of skills and experience appointed to the Funding Board, as council and the Amenities Board will be able to jointly discuss candidates and ensure that candidates with complementary skills are put forward for consideration. This will help avoid the situation where council and the Amenities Board, acting separately, appoint candidates who share the same skill sets, but leaving a gap in other skills or experience. A joint appointment process also provides an opportunity to strengthen the council's relationship with this board.
19. To undertake a joint process, two Amenities Board representatives would participate in the selection panel process.

## Links to strategies, policies and plans

20. The Auckland Council's Appointment and Remuneration Policy for Board Members of Council Organisations (the policy) was reviewed in 2017. This policy guides the process for appointing directors to any council-controlled organisation (CCO) and external partnership board and is outlined below.
21. While the Funding Board is not a council-controlled organisation, staff advise that it is appropriate to apply the principles of the board appointment policy to the Funding Board appointments.

Item 9



**Tātaritanga me ngā tohutohu / Analysis and advice Board member competencies and appointment terms**

- The Funding Board member competencies outlined in the legislation provide that each board member must have the management skills, experience and professional judgement necessary to undertake the Funding Board's functions.
- The legislation states board members are:
  - appointed for a term of three-years
  - eligible for reappointment indefinitely hence there is no maximum tenure.
- However, the council's board appointment policy states that directors should serve a maximum of two three-year terms. Some circumstances can permit an extension, but total tenure must not exceed nine years.
- The confidential report on this agenda provides advice and options to assist the committee to make decisions regarding the two council-appointed Funding Board members.
- The information in the confidential report is deemed private to protect the privacy of the board members and includes the curriculum vitae for the council-appointed Funding Board members who are due to retire from their term of appointment on 31 May 2018.

**Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe / Local impacts and local board views**

- Board appointments to region-wide entities are the role of the Governing Body. Local boards are able to participate in the nomination process. The nomination of a candidate requires the consent of that candidate.

**Tauākī whakaaweawe Māori / Māori impact statement**

- The appointment policy aims to appoint diverse CCO and partnership boards. This can have positive impacts for Māori by creating opportunities for Māori directors.
- In line with the policy, an Independent Māori Statutory Board member may be appointed to the selection panel to provide a Māori perspective throughout the process.
- One of the ten board members on the Funding Board must represent the interests of Māori in the Auckland region. Precious Clarke was appointed to this role in 2017.

## Ngā ritenga ā-pūtea / Financial implications

31. Staff from the council's Recruitment and Talent department will undertake the search process and coordinate the interviewing of candidates on behalf of the council.
32. The costs associated with these appointments will be managed from existing budgets.
33. The cost for filling any vacancies approved by the Amenities Board will need to be paid separately by the Amenities Board.

## Ngā raru tūpono / Risks

34. There are risks associated with all board appointments including:
  - (i) reputational : ensuring all candidates are appropriately screened to meet the skill requirements for directors of a board such as this, and have appropriate governance experience especially within public-facing entities. To mitigate any potential risks of disqualified directors or under-qualified candidates
    - a. a thorough due diligence process will be completed on all candidate applications in line with the council's recruitment policy
    - b. completion of the council's director consent form prior to interview which requires directors to confirm that there is nothing that would disqualify them from being a director
    - c. a thorough reference check of candidates who are approved for appointment to the Funding Board.
  - (ii) governance : the risk of an unbalanced board where a loss of institutional knowledge impacts decision-making. Conversely, retaining board members for too long can mean the board lack innovation and fresh thinking. An appropriate mitigation would be ensuring an adequate balance of board members with an in-depth knowledge of the ten amenities balanced with an appropriate director rotation programme for longer serving board members.

## Ngā koringa ā-muri / Next steps

35. Following approval from this committee, staff from the CCO Governance and External Partnerships department will progress the advertising process, if required.
36. The timeline for the board appointment process would include:
  - (i) advertising campaign: early March 2018
  - (ii) nomination panel short-list candidates: late March 2018
  - (iii) committee approve short-list: 5 April 2018
  - (iv) interview panel interviews candidates: 6 – 22 April 2018
  - (v) committee approves preferred candidates: 3 May 2018.

## Ngā tāpirihanga / Attachments

There are no attachments for this report.

## Ngā kaihaina / Signatories

Author	Josie Meuli - Senior Advisor
Authorisers	Alastair Cameron - Manager - CCO Governance & External Partnerships Phil Wilson - Governance Director



## Programme for board appointments to Auckland Council's council-controlled organisations for 2018

File No.: CP2018/00343

Item 10

### Te take mō te pūrongo / Purpose of the report

1. To provide a public record of the programme of appointments to the boards of Auckland Council's substantive council-controlled organisations (CCOs) for 2018.

### Whakarāpopototanga matua / Executive summary

2. Council is currently at the beginning of the board appointment programme for the director appointments in 2018. The programme for this year will consider the re/appointment of four CCO chairs and twelve directors from five CCOs.
3. The programme is unusual this year because we are at the outer limits of permitted director tenures under the Auckland Council's Appointment and Remuneration Policy for Board Members for council organisations (the policy). Council must therefore consider ending the tenure of four out of six CCO board chairs.
4. Four of the Auckland Council's CCO chairs' terms of appointment are due to end on 31 October 2018. The Appointments and Performance Committee is required to make decisions regarding:
  - whether or not to reappoint these chairs
  - the skill requirements to fill any vacancy
  - approval of the membership of the 2016-2019 pool of councillors who will be involved in shortlisting and interviewing candidates over the current electoral term.
5. Given the extent of the 2018 board appointment programme staff advise that a two-stage process will be more effective. Staff recommend that the chair appointments should commence in March 2018, with any proposed chair appointments approved at the committee's 5 July 2018 meeting. The remaining director vacancies would then commence in July 2018 with, proposed appointments approved by September or October 2018.
6. This will provide an opportunity for any new chairs that are appointed to participate in the director appointments for their board, and to allow consideration of the membership and skills of each of board to be done once it is known whether or not any new chairs have been appointed from existing board members.
7. Further reports will only be provided to the committee if there are changes to the proposed programme.

### Ngā tūtohunga / Recommendation/s

That the Appointments and Performance Review Committee:

- a) note the programme for appointing directors to the council-controlled organisations for 2018
- b) note that a confidential report is included on today's committee agenda that provides information to make decisions on the directors on Auckland's council-controlled organisations whose terms of appointment is due to end on 31 October 2018
- c) note that the confidential report also includes the skill requirements for any vacancies created and that the report is confidential due to the personal information contained in it
- d) note that the confidential report also contains information on membership for the 2016-2019 pool of councillors for board appointments to council-controlled organisations.



## Horopaki / Context

8. The committee approved a review of the policy in 2017 which included the addition a pool of Governing Body members who wish to be considered as selection panel members on the board appointment vacancies.
9. The pool is formed at the commencement of the electoral term and sourced through expressions of interest from Governing Body members.
10. Staff have distributed a memo to Governing Body members seeking expressions of interest.
11. The pool will be made up of no fewer than four members and no more than ten members of the Governing Body.
12. In keeping with the policy, the committee should ensure that the pool includes members with a diverse range of skills, knowledge and experience.

## Tātaritanga me ngā tohutohu / Analysis and advice Links to strategies, policies and plans

13. The board appointment process for appointing directors to any CCO and external partnership board is outlined in the table below:



14. Council's policy sets a maximum tenure of six years for substantive CCO directors in order to achieve a balance of experience and fresh thinking on individual boards.
15. However, the policy also recognises that there are sometimes there are good reasons to approve extensions beyond the two three-year terms, such as retaining the knowledge, skills and leadership on the board.
16. The confidential report on this agenda provides advice and options to assist the committee to make decisions regarding four chairs on the substantive CCOs.



## Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe / Local impacts and local board views

17. Board appointments to CCOs are the role of the Governing Body. Local boards can participate in the nomination process for each director vacancy. The nomination of a candidate requires the consent of that candidate.

## Tauākī whakaaweawe Māori / Māori impact statement

18. Council's policy also aims to achieve a diverse range of directors to all CCO boards.
19. This can have positive impacts for Māori by creating opportunities for Māori directors.
20. In line with the policy, an Independent Māori Statutory Board member may be appointed to the selection panel to provide a Māori perspective throughout the process.

## Ngā ritenga ā-pūtea / Financial implications

21. The costs associated with these appointments will be managed from existing budgets.

## Ngā raru tūpono / Risks

22. There are risks associated with all board appointments, specifically:
  - (i) Reputational risk: ensuring all candidates are appropriately screened to meet the skill requirements for directors of a board such as this and have appropriate governance experience especially within public-facing entities. To mitigate any potential risks of disqualified directors or under-qualified candidates
    - a. a thorough due diligence process will be completed on all candidate applications in line with the council's recruitment policy
    - b. completion of the council's director consent form prior to interview which requires directors to confirm that there is nothing that would disqualify them from being a director
    - c. a thorough reference check of candidates who are approved for appointment to the CCOs and any other additional interviews as required.

## Ngā koringa ā-muri / Next steps

23. Following approval from this committee, staff from the CCO Governance and External Partnerships department and council's external director recruitment support company (Kerridge and Partners) will progress the director appointment programme for 2018.
24. The proposed timeline for the 2018 board appointment programme is as follows:
  - Stage One
    - (i) advertising campaign: early March 2018
    - (ii) nomination panel short-list candidates: April and May 2018
    - (iii) committee approve short-list: 7 June 2018
    - (iv) interview panel interviews candidates: 8 – 22 June 2018
    - (v) committee approval of preferred candidates: 5 July 2018
  - Stage Two
    - (vi) remaining director vacancies process commences - July 2018
    - (vii) proposed appointments approved - September or October 2018.

## Ngā tāpirihanga / Attachments

There are no attachments for this report.

## Ngā kaihaina / Signatories

Author	Josie Meuli - Senior Advisor
Authorisers	Alastair Cameron - Manager - CCO Governance & External Partnerships Phil Wilson - Governance Director

Item 10

## Exclusion of the Public: Local Government Official Information and Meetings Act 1987

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:

### C1 Board appointments to the Auckland Regional Amenities Funding Board

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 directors on the Auckland Regional Amenities Funding Board directors and their potential reappointment or retirement.	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 2018 Board Appointment programme for council-controlled organisations

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 about the board members on Auckland Council's council-controlled organisations and their potential retirement or reappointment.	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.