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

Date: Thursday, 4 July 2019  
Time: 9.30am  
Meeting Room: Room 1, Level 26  
Venue: 135 Albert St  
Auckland

Komiti Tohu me te Arotake Tūranga Mahi, me te Rite o te Whiwhi ki Tā Tērā i Utu Ai / Appointments, Performance Review and Value for Money Committee

OPEN AGENDA

MEMBERSHIP

Chairperson  
Hon Phil Goff, CNZM, JP

Deputy Chairperson  
Cr Hon Christine Fletcher, QSO

Members  
Cr Josephine Bartley
Cr Ross Clow
Cr Chris Darby
Cr Richard Hills
Cr Penny Hulse
Cr Desley Simpson, JP

Ex-officio  
Deputy Mayor Cr Bill Cashmore  
IMSB Chair David Taipari

(Quorum 4 members)

Sandra Gordon  
Senior Governance Advisor

27 June 2019

Contact Telephone: (09) 890 8150  
Email: sandra.gordon@aucklandcouncil.govt.nz  
Website: www.aucklandcouncil.govt.nz

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.
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.
<table>
<thead>
<tr>
<th>ITEM</th>
<th>TABLE OF CONTENTS</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Apologies</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>Declaration of Interest</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
<td>Confirmation of Minutes</td>
<td>7</td>
</tr>
<tr>
<td>4</td>
<td>Petitions</td>
<td>7</td>
</tr>
<tr>
<td>5</td>
<td>Public Input</td>
<td>7</td>
</tr>
<tr>
<td>6</td>
<td>Local Board Input</td>
<td>7</td>
</tr>
<tr>
<td>7</td>
<td>Extraordinary Business</td>
<td>8</td>
</tr>
<tr>
<td>8</td>
<td>Process for the appointment of directors and board members to the Auckland's council-controlled organisations</td>
<td>9</td>
</tr>
<tr>
<td>9</td>
<td>Consideration of Extraordinary Items</td>
<td>9</td>
</tr>
</tbody>
</table>

**PUBLIC EXCLUDED**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>TABLE OF CONTENTS</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Procedural Motion to Exclude the Public</td>
<td>13</td>
</tr>
<tr>
<td>C1</td>
<td>CONFIDENTIAL: Appointing directors to Auckland's council-controlled organisations</td>
<td>13</td>
</tr>
<tr>
<td>C2</td>
<td>Chief Executive's Performance Objectives</td>
<td>13</td>
</tr>
</tbody>
</table>
1 **Apologies**

Apologies from Deputy Mayor BC Cashmore and Deputy Chairperson C Fletcher have 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, Performance Review and Value for Money Committee:

a) confirm the ordinary minutes of its meeting, held on Thursday, 6 June 2019, 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."
Process for the appointment of directors and board members to the Auckland's council-controlled organisations

File No.: CP2019/04515

Te take mō te pūrongo
Purpose of the report
1. To provide an update on the programme of appointments to the boards of Watercare Services Limited (Watercare), Regional Facilities Auckland (RFA) and Panuku Development Auckland Limited (Panuku). These three entities are Auckland council-controlled organisations (CCOs).

Whakarāpopototanga matua
Executive summary
2. This committee has previously agreed the skills and experience required to fill two director vacancies on the Watercare board on 6 December 2018 (APP/2018/97), and the skills and experience required to fill vacancies on the RFA and Panuku boards at its 14 February 2019 meeting (APP/2019/1).
3. The 2019 board appointment programme has attracted a number of highly qualified, experienced candidates who have either responded to advertisements, or been approached directly by Kerridge & Partners (Kerridge).
4. The selection panel appointed by this committee have interviewed candidates for the director vacancies; and have made their recommendations to this committee.
5. A confidential report seeks approval from the committee regarding director appointments to substantive council-controlled organisations (CCOs).

Ngā tūtohunga
Recommendation/s
That the Appointments, Performance Review and Value for Money Committee:

a) make decisions on appointing directors to Watercare Services Limited, Regional Facilities Auckland and Panuku Development Auckland Limited

b) note that the report is confidential due to the personal information contained in it and the final appointment decisions will be made publicly available at the conclusion of the appointment process.

Horopaki
Context
6. The board appointment process for appointing directors to any CCO and external partnership board is outlined in the table following.

7. The confidential reports on this agenda provide advice and options to assist the committee to make decisions regarding the appointment of directors to council-controlled organisations and a board member to a council organisation.

8. The selection panel have completed their interviews of the candidates, and have made their recommendations to this committee. The committee must decide which candidates to appoint.
Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera
Council group impacts and views
9. There are no significant impacts on other parts of the council group as a result of these appointments.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe /
Local impacts and local board views
10. Board appointments to external partnerships are the role of the Governing Body. Local boards can participate in the nomination process and the nomination of a candidate requires the consent of that candidate.

Tauākī whakaaweawe Māori / Māori impact statement
11. Council’s policy aims to achieve a diverse range of directors to all CCO boards.
12. This can have positive impacts for Māori by creating opportunities for Māori directors.
13. In line with the policy, an Independent Māori Statutory Board member(s) was appointed to each selection panel to provide a Māori perspective throughout the process.

Ngā ritenga ā-pūtea / Financial implications
14. The costs associated with the appointments to CCOs will be managed from existing budgets.

Ngā raru tūpono / Risks
15. There are risks associated with all board appointments including:
   i) Reputational: 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 is completed on all candidate applications in line with the council’s appointment policy
Item 8

b) short-listed candidates have completed 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) thorough reference checks of candidates who are approved for appointment to the CCOs are being conducted by Kerridge and Partners.

ii) Reputational: breach of privacy if confidential candidate information is provided to media outlets prior to final decisions being made by the committee. The risk is fewer and potentially less qualified candidates being attracted into future board appointment programmes. To mitigate the risk staff will continue to highlight the need for maintaining confidentiality during the board appointment programme.

iii) 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. There is a need to maintain an appropriate balance of new and longer-serving board members to ensure innovation and fresh thinking while retaining institutional knowledge. This has been taken into consideration by the selection panel in their recommendation to this committee.

Ngā koringa ā-muri / Next steps

16. Following approval from this committee, staff from the CCO Governance and External Partnerships department and Kerridge and Partners will notify the CCO chairs, successful board appointees and make the appointment information publicly available at the completion of the 2019 board appointment programme.

Ngā tāpirihanga

Attachments

There are no attachments for this report.

Ngā kaihaina

Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Josie Meuli - Senior Advisor</th>
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<tbody>
<tr>
<td>Authorisers</td>
<td>Alastair Cameron - Manager - CCO Governance &amp; External Partnerships</td>
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<td>Phil Wilson - Governance Director</td>
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</tbody>
</table>
Exclusion of the Public: Local Government Official Information and Meetings Act 1987

That the Appointments, Performance Review and Value for Money 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:

<table>
<thead>
<tr>
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</tr>
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<tr>
<td>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.</td>
<td>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 candidates who have applied for vacancies on the board of Auckland's council-controlled organisations</td>
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<td>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, during this item, the committee will discuss performance objectives for the Chief Executive including possible discussion about terms of employment and remuneration.</td>
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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.