

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

Date: Tuesday, 2 February 2021
Time: 11.00am
Meeting Room: Room 1, Level 26
Venue: 135 Albert St
Auckland

**Kōmiti Mō Te Kopou Me Te Arotake
Whakatutukitanga / Appointments and
Performance Review Committee**

OPEN ADDENDUM AGENDA

MEMBERSHIP

Chairperson	Hon Phil Goff, CNZM, JP
Deputy Chairperson	Cr Christine Fletcher, QSO
Members	Cr Josephine Bartley Cr Pippa Coom Cr Chris Darby Cr Alf Filipaina Cr Richard Hills Cr Desley Simpson, JP
(Ex-officio)	IMSB Chair David Taipari Deputy Mayor Cr Bill Cashmore

(Quorum 4 members)

Suad Allie
**Kaitohutohu Mana Whakahaere Matua / Senior
Governance Advisor**

27 January 2021

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Board Appointments for Auckland Council's Council Controlled Organisations

File No.: CP2020/06631

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Te take mō te pūrongo

Purpose of the report

1. To provide an update on the programme of appointments for 2020 to the boards of Auckland's council-controlled organisations (CCOs).

Whakarāpopototanga matua

Executive summary

2. Auckland Council appoints directors to the boards of its council-controlled organisations.
3. On 25 August 2020, this committee approved the commencement of the annual board appointment programme for 2020. This included agreeing the relevant skills required to fill vacancies on the CCO boards (APR/2020/11).
4. The process for identifying and appointing candidates for these roles continues, and a confidential report on this agenda asks the committee to make decisions on
 - (i) appointing a director to the board of Watercare Services Limited
 - (ii) approving draft briefs for two director vacancies on the board of Panuku Development Auckland Limited.

Ngā tūtohunga

Recommendation/s

That the Appointments and Performance Review Committee:

- a) note there is a confidential report on this meeting agenda requesting the committee make decisions regarding the appointment of a candidate for a vacancy on the board of Watercare Services Limited, and approving briefs for director vacancies
- b) note that the report is confidential due to the personal information contained within, and that the final appointment decisions will be made publicly available at the conclusion of the appointment process.

Horopaki

Context

5. The board appointment process for appointing directors to any CCO board is outlined in the following table.
6. The confidential report on this agenda provides advice and options to assist the committee to make decisions regarding the candidates that were shortlisted for interviews.

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Tātaritanga me ngā tohutohu Analysis and advice

- On 25 August 2020, this committee approved the commencement of the annual board appointment programme for 2020. This included agreeing the relevant skills required to fill vacancies on the CCO boards (APR/2020/11).
- The process for identifying and appointing candidates for these roles continues, and a confidential report on this agenda asks the committee to make decisions on:
 - appointing a director to the board of Watercare Services Limited
 - the skills and experiences sought in candidates to fill two vacancies on the board of Panuku Development Auckland.

Tauākī whakaaweawe āhuarangi Climate impact statement

- Candidates applying for director vacancies are required to demonstrate a commitment to integrate council's climate action plans into the strategies and operations of the CCOs.

Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera Council group impacts and views

- It is essential that a CCO's decisions align with the council's plans and policies. All CCO director appointments are critical to the leadership of each organisation, and the council group as a whole.

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

- 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

12. Auckland Council's appointment and remuneration policy for board members of council organisations (the policy) states that the council "values and supports the benefits that diversity of thought, experience and skills bring to our CCO boards.
13. We recognise that increasing diversity and fostering inclusive board culture is an essential element in supporting high performing boards, driving long-term success and delivering better outcomes for the communities of Auckland".
14. The policy therefore encourages the identification of appropriately experienced Māori directors for consideration for appointment to CCO boards.
15. In addition, an Independent Māori Statutory Board member is involved in the appointment process by being a member of the selection panel. This ensures that a Māori perspective informs the recommendations of the selection panel during the shortlisting, interviewing and appointment processes.
16. The Independent Māori Statutory Board is also represented on this committee. This ensures a Māori perspective is brought to the decision-making process, and that the Independent Māori Statutory Board's views are considered by the committee.
17. At the 25 August 2020 meeting this committee agreed to strengthen the focus areas in vacancy briefs by including the following statements in the common priorities for all director vacancy briefs (advertisements):
 - (i) Uphold the principles of the Treaty of Waitangi, readiness to promote improved outcomes for Māori and knowledge of Te Ao Māori established networks (APR/2020/10).

Ngā ritenga ā-pūtea Financial implications

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

Ngā raru tūpono me ngā whakamaurutanga Risks and mitigations

19. There are risks associated with all board appointments including:
 - i) Reputational: all candidates are appropriately screened to meet the skill requirements for appointment to entities such as these and that they 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 appointment policy
 - (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 Auckland Transport 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 lacks innovation and fresh thinking.

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Ngā koringa ā-muri Next steps

20. Staff will give effect to the committee's resolutions.
21. The appointment of candidates to some vacancies is expected to be reported to this committee in March 2021.
22. A media statement will be made following the approval of the successful candidates.

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

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 **CONFIDENTIAL: Appointments to Auckland Council's 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 private information about candidates making application to Auckland Council's CCOs director vacancies	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.