

Date: Tuesday 16 April 2024
Time: 10.00am
Meeting Room: Room 1, Level 26
Venue: 135 Albert Street
Auckland

Komiti mō ngā Kopounga me Te Kounga o ngā Mahi / Performance and Appointments Committee

OPEN ATTACHMENTS

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Performance and Appointments Committee / Komiti mō ngā Kopounga me Te Kounga o ngā Mahi Forward Work Programme 2024

This committee has the oversight to make appointments to Council-Controlled Organisations (CCOs), Council Organisations (COs), Port of Auckland Limited and exempt CCOs and COs and other entities, with the exception of Auckland International Airport Limited (for the avoidance of doubt, the authority to make appointments also includes the power to remove appointees).

The full terms of reference can be found here: [Auckland Council Governing Body Terms of Reference](#)

Area of work and Lead Department	Pūnga / Reason for work	Committee role (whakatau / decision and/or tika / direction)	Expected timeframes Highlight the month(s) this is expected to come to committee in 2024												
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
CCO and Port of Auckland Director Appointments and Reappointments CCO Governance and External Partnerships	In accordance with Auckland Council's Appointment and Remuneration Policy for Board Members of Council Organisations (the policy – which is a requirement as per, Section 57(1) of the Local Government Act 2002 (LGA)). The committee are to make appointments and approve policies related to Council-Controlled Organisations.	To approve: - Appointment - Reappointment - briefs for vacancies - Panel members - Shortlisted candidates for interview Progress to date: Watercare reappointments link to decision. Eke Panuku reappointments link to decision. Auckland Transport shortlist link to decision Watercare reappointments and criteria link to decision	As and when required												
CCOs Non-substantive CCO Governance and External Partnerships	<ul style="list-style-type: none"> Te Tuhi Contemporary Arts Foundation Taumata Toi a Iwi Manukau Beautification Trust In accordance with Auckland Council's Appointment and Remuneration Policy for Board Members of Council Organisations (the policy – which is a requirement as per, Section 57(1) of the Local Government Act 2002 (LGA)). The committee are to make appointments and approve policies related to Council-Controlled Organisations.	To approve appointments Progress to date:	As and when required												
Appointments and Remuneration Policy Review CCO Governance and External Partnerships	In accordance with Auckland Council's Appointment and Remuneration Policy for Board Members of Council Organisations (the policy – which is a requirement as per, Section 57(1) of the Local Government Act 2002 (LGA)). The committee are to make appointments and approve policies related to Council-Controlled Organisations.	To approve policies related to appointments and remuneration policy. Progress to date Scope of review agreed December 2023 [PACCC/2023/90]													

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Auckland Regional Amenities Funding Board CCO Governance and External Partnerships	The Auckland Regional Amenities Funding Act 2008 (the Act) established a model for funding ten specified regional amenities. The Act established two administrative bodies, the Funding Board and the Amenities Board. Council appoints 6 members of the ARAFA Board. The appointments are to replace or renew directors whose terms are expiring.	To approve appointments Progress to date Reappointments approved February 2024 link to decision												
Auckland War Memorial Museum CCO Governance and External Partnerships	Auckland Council makes 5 appointments to the AWMM Board. The appointments are to replace or renew directors whose terms are expiring.	To approve appointments Progress to date												
Board Interns CCO Governance and External Partnerships	In 2013, Auckland Council approved a director intern programme known as the board intern programme. 1 per substantive CCO	To approve appointments Progress to date:												
Chief Executive Performance Objectives Group Services	Chief Executive performance review process.	Half-yearly and yearly review of Chief Executives Performance Objectives. (April / September) Quarterly reporting (June / November) Draft and final FY25-27 objectives. (April / July) Informal updates (all other months) Progress to date: Informal update provided in February 2024.												
City Rail Link Limited (CRLL) CCO Governance and External Partnerships	Auckland Council is a joint shareholder with the Crown and jointly appoints directors with the Crown.	To approve appointments Progress to date:												
Museum of Transport and Technology (MOTAT) CCO Governance and External Partnerships	Auckland Council makes 6 appointments to the MOTAT Board. The appointments are to replace or renew directors whose terms are expiring.	To approve appointments Progress to date:												

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Tamaki Redevelopment Company CCO Governance and External Partnerships	Auckland Council is a joint shareholder with the Crown. Council has one director it is responsible for appointment, and jointly appoints with the Crown the other directors. The appointments are to replace or renew directors whose terms are expiring.	To approve appointments Progress to date: Reappointments approved February 2024 link to decision														

Item 10

Attachment A



**Komiti mō ngā Kopounga me Te Kounga o ngā
Mahi / Performance and Appointments
Committee **Workshop:**
Review of the Appointments and Remuneration
Policy for Board Members of Council
Organisations
NOTES**

Notes of a workshop of the Performance and Appointments Committee held in Room 1, Level 26, 135 Albert Street, Auckland on Wednesday, 13 March 2023 at 10.02am.

PRESENT

Chairperson	Cr Daniel Newman, JP	
Deputy Chairperson	Cr Mike Lee	Via electronic link
Members	Mayor Wayne Brown	
	Cr Christine Fletcher, QSO	Via electronic link
	Cr Lotu Fuli	Until 12.06pm
	Cr Richard Hills	
	Cr Greg Sayers	Via electronic link
		Until 12.01pm
	Cr John Watson	Via electronic link
		Until 11.40am
Ex-officio	Cr Maurice Williamson	Via electronic link
	IMSB Chair David Taipari	Via electronic link

Note: No decisions or resolutions may be made by a Workshop or Working Party, unless the Governing Body or Committee resolution establishing the working party, specifically instructs such action.

Purpose:

The purpose of the meeting is to:

- discuss potential amendments to the Appointments and Remuneration Policy for Board Members of Council Organisations.

	Item
1	<p>Ngā Tamōtanga / Apologies</p> <p>There were no apologies.</p>
2	<p>Te Whakapuaki i te Whai Pānga / Declaration of Interest</p> <p>Members were reminded of the need to declare any conflict that may arise between their role as a member and any private or other external interest they might have.</p> <p>There were no declarations of interest.</p>
3	<p>Review of the Appointments and Remuneration Policy for Board Members of Council Organisations</p> <p>James Stephens – Senior Advisor CCO Governance and External Partnerships Alastair Cameron – Manager, CCO Governance and External Partnerships</p> <p>Discussion of issues as agreed by the committee in December 2023 [PACCC/2023/90]</p> <ul style="list-style-type: none"> • purpose of policy • selection panel composition • eligibility criteria for candidates • the process used for the recruitment of candidates • the process for reviewing remuneration • how the council will support the recruitment of candidates using external advisors <p>A presentation was provided. A copy is attached to the notes.</p> <p>The committee discussed the focus questions and provided feedback.</p>

The workshop finished at 12.19pm.

Appointment and Remuneration Policy for Board Members of Council Organisations - Review

13 March 2024

James Stephens- Senior Advisor CCO Governance and External Partnerships



Workshop overview

Policy review scope agreed in December 2023:

1. Purpose of policy
2. Remuneration reviews
3. Selection panel
 - 3.1 Selection panel composition
 - 3.2 Enduring pool
4. Recruitment process
 - 4.1 Process
 - 4.2 Use of external recruitment partners
 - 4.3 Core competencies
5. Eligibility criteria
 - 5.1 Term lengths
 - 5.2 Conflict of Interest controls
 - 5.3 Directors standing for elected office



1. Purpose of policy

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- Council must have an appointments policy LGA 2002, s57(1)



The Policy must:

- set out an objective and transparent process for making appointments
- take into account the skills needed to achieve the organisations purpose and take into account the council's context as a publicly accountable body
- remuneration of directors

The Council's policy also adds that:

- the appointments process must protect individual privacy (aligned with Privacy Act obligations)
- **Continuity through smooth succession of board members and board chairs**





1. Discussion – Purpose of policy

Is the policy direction appropriate?





2. Remuneration reviews - Current state

- Policy requires 3 yearly reviews based on market movements, to be considered by the committee
- Fees originally pitched at the ‘medium-high’ end of director pay scales in recognition of:
 - The complexity and challenge of the CCO
 - The public service aspect of the roles
- In practice, increases are generally below market movement and less frequent than every 3 years
- AT director remuneration has increased 2.9% since 2011:

	2011	2012	2017	2024
	\$52,500	\$53,300	\$54,000	\$54,000

- This creates a pressure on candidate availability
 - 2019 AT chair candidate exited the process after the interview
 - Less likely to get candidates who aren’t independently wealthy, especially younger and diverse directors, as well as industry experience



2. Options for discussion

- Are market movements the appropriate way to benchmark remuneration?
- What appetite does the committee have to:
 - reset the remuneration scale for CCOs?
 - delegate remuneration reviews?



3. Selection Panel

- 3.1 Selection panel composition
- 3.2 Enduring pool

3.1 Selection Panel

- Panel is large, with multiple senior (i.e. busy) people and often difficult to coordinate.

Current members	Perspective
Enduring pool (Governing Body) members (x2)	Representatives of the council as shareholder and the appointing body
CEO of Auckland Council	Overview of the council group operations and linkages within the group
Board chair	Board chair brings a first-hand knowledge of the CCO and board, well placed to assess the skills of the candidate
Chief of Staff	Perspective of the Mayor's office
Houkura Independent Māori Statutory Board member	Brings a Māori perspective to the panel – especially useful in assessing the understanding of Māori outcomes Helps meet the Kia ora Tāmaki Makaurau objective of including Māori in decision making.





3.1 Discussion – Selection panel composition

- What perspectives need to be represented on the panel to select the best candidates?
 - Understanding of board needs
 - Shareholder perspective
- Is there sufficient diversity of perspectives within the panel?

