

## POLICY

*Council*

# COUNCIL DIRECTOR/TRUSTEE/REPRESENTATION APPOINTMENT AND REMUNERATION

## 1 INTRODUCTION

This policy, in accordance with Section 57(1) of the *Local Government Act 2002* (“the Act”), sets out an objective and transparent process for identifying, appointing and remunerating appropriately skilled and experienced directors to Council organisations.

These appointments will be made on the basis of merit and Council will follow corporate governance best practice. Directors of Council-controlled trading organisations will be appointed on the basis of the contribution they can make to the organisation, and not on the basis of representation.

## 2 POLICY CONTEXT

The Council needs to be satisfied that it has appointed directors or trustees to Council Organisations, Council Controlled Organisations and Council Controlled Trading Organisations that have the skills, knowledge and experience to contribute to the governance of the organisation to which they are appointed.

### 2.1 Schedule of Organisations – see Appendix 1

#### 2.1.1 Definitions

“**Council Organisation**” means a company or organisation in which local authorities control any proportion of voting rights or rights to appoint directors. Note: “*organisation*” means any partnership, trust, arrangement for the sharing of profits, union of interest corporation, joint venture or other similar arrangement.

“**Director**” includes company directors, trustees, managers and office holders of an organisation.

“**Council Controlled Organisation**” is a company or organisation in which the local authorities control 50% or more of the voting rights or appoint 50% of the directors, trustees or managers.

“**Council-controlled trading organisation**” is a Council-controlled organisation that operates a trading undertaking for the purpose of making a profit.

## 3 POLICY OBJECTIVE

The objective of this policy is to ensure the Directors appointed to Council Organisations, Council Controlled Organisations and Council Trading Organisations have the skills, knowledge and experience to contribute to the governance of the organisation they are appointed to.

## 4 POLICY STATEMENT

### 4.1 Council: Selection, Appointment and Remuneration of ‘Directors’ to Council Organisations

4.1.1 Where the Council is responsible for appointing ‘directors’, and has not delegated that responsibility to any other body, nominations for candidates to be appointed as ‘director(s)’ of a Council organisation will be received at a public meeting of the Council.

4.1.2 The Council will consider matters including the skills, knowledge, experience and interest of the candidates and decide on the successful candidate.

4.1.3 In specific instances, the Council may elect to adopt a process for the appointment of directors similar to that used for appointment of Council Controlled Organisation (CCO) Directors.

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4.1.4 People appointed to such organisations are entitled to the remuneration offered by the entities to which they are appointed.

#### **4.2 Selection, Appointment and Remuneration of 'Directors' to a Council Controlled Organisation (CCO)**

4.2.1 The Council will appoint and allocate remuneration for directors to the following CCOs:

- Te Kōhaka o Tūhaitara Trust
- Waimakariri Irrigation Limited

4.2.2 A subcommittee of the Council may be established to recommend appointments to Council.

4.2.3 Where there is a vacancy, the subcommittee shall undertake a selection process that could include:

- Requesting curriculum vitae (e.g. through public advertising and contacting other reputable sources, such as the Institute of Directors)
- Interviewing and assessing candidates
- Reference checking

4.2.4 The subcommittee shall consider candidates' skills, knowledge and experience when making its recommendations.

4.2.5 Where directors are offering themselves for re-appointment, the Council may resolve continuation for a further period.

#### **4.3 Consideration of People Required**

When considering advertising and selecting a person(s) to fill a vacancy the Appointment Subcommittee will seek and consider a report from management on:

- The skills, knowledge and experience of continuing members of that organisation's governing body;
- The business issues facing the organisation;
- Any environmental and social issues, including political issues, impacting the organisation.

#### **4.4 Skills, Knowledge and Experience Requirements**

The skills, knowledge and experience of the director/trustee may be drawn from the following disciplines:

- Legal
- Engineering/Building
- Regulatory
- Resource Management
- Asset Management
- Accounting/Treasury/Taxation
- Strategic Planning
- Policy Development
- Marketing/Communication
- Human Resources

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#### 4.5 Attributes

It would be desirable if directors/trustees possessed:

- A knowledge of the District;
- An understanding of Local Government and the Local Government Act 2002;
- A knowledge of company or trustee law;
- A knowledge of the service/industry/sector the organisation provides or is associated with;
- A knowledge of business/governance arrangements and practices.

#### 4.5 People unable to be appointed

The following persons would not be eligible for appointment:

- A person who is under 18 years of age;
- A person who is an undischarged bankrupt;
- A person who is prohibited from being a director or promoter of, or being concerned or taking part in the management of a company, under section 382 or section 383 or section 385 of the *Companies Act 1993*;
- A person who is subject to a property order made under section 30 or section 31 of the *Protection of Personal and Property Rights Act 1988*;
- In relation to any particular company, a person who does not comply with any qualifications for directors/trustees contained in the constitution of that organisation;
- A person who holds a substantial shareholding in a material customer of, or material supplier or professional advisor, to the organisation;
- A person who holds a senior managerial position in that organisation.

### 5 LINKS TO LEGISLATION, OTHER POLICIES AND COMMUNITY OUTCOMES

*Companies Act 1993*

*Protection of Personal and Property Rights Act 1988*

*Local Government Act 2002*

### 6 ADOPTED BY AND DATE

Adopted by Council on 6 August 2019

### 7 REVIEW

Review every six years or sooner on request.

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**APPENDIX 1**

<b>Organisation</b>	<b>Appointment</b>	<b>Remuneration</b>
<b>Council Organisations</b>		
Ashley Pest Management Liaison Committee	Council appointment every 3 years	No remuneration is paid
Canterbury Civil Defence Emergency Management Group (Joint Committee)		
Canterbury Regional Landfill Joint Committee		
Canterbury Rural Primary Health Organisation		
Canterbury Waste Joint Committee		
Canterbury Water Management Strategy: Regional Committee		
Council of Social Services		
Creative Communities NZ Assessment Committee		
Injury Prevention Waimakariri		
Mandeville Sports Club Committee		
North Canterbury Museum Group		
North Canterbury Sport and Recreation Trust		
NZ Red Cross Canterbury Earthquake Recovery Commission		
Rangiora Promotions Management Board		
Oxford Promotions Action Committee		
Passenger Transport Advisory Group		
<b>Rangiora Airfield Advisory Group</b>		
Regional Land Transport Committee		
<b>Sefton/Ashley and Sefton River Rating District Committee</b>		
Southbrook Sports Club		
Waimakariri Access Group		
Waimakariri Community Arts Council		
Waimakariri Community Development Trust		
Waimakariri Eyre/Cust River Rating Committee		
Waimakariri Environment Society Inc		
Waimakariri Road Safety Coordinating Committee		
Waimakariri Safe Communities Governance Group		
Ashley River Rating Committee	Council authorises Rangiora-Ashley Community Board to appoint these representatives in conjunction with Hurunui District Council.	
Ashley Rural Water Scheme Management Committee		
Canterbury Museum Trust Board		

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<b>Organisation</b>	<b>Appointment</b>	<b>Remuneration</b>
<b>Council Controlled Organisations</b>		
Waimakariri District Libraries Trust	The Waimakariri District Libraries Manager is an Advisory Trustee ex-officio on this trust	
Waimakariri Art Collection Trust	Council appointment every three years	
<b>Council Controlled Trading Organisations</b>		
Transwaste Canterbury Limited	The Council has delegated its authority to appoint directors and to carry out various other tasks as a shareholder to the Canterbury Regional Landfill Committee	Director's fees are paid.
<b>Council Organisations</b>		
Canterbury Water Management Strategy Waimakariri Zone Committee	Council appointment every 3 years	Committee Members honorarium paid except for Councillors and Commissioners.
Waimakariri Irrigation Limited	Council appointment every 3 years	Directors' fees are paid.
<b>Council Controlled Organisations</b>		
Te Kōhaka O Tūhaitara Trust	Council appoints 3 of the 6 Trustees of the Trust.	Meeting fees payable to Council appointed Trustees excluding Councillors
Enterprise North Canterbury	Appointments made by the Mayors of the Waimakariri and Hurunui District Councils.	Trustees' can be reimbursed for expenses and receive remuneration except for Mayors and CEO's