

Report 16.102  
Date 10 March 2016  
File CCAB-8-456

Committee Council  
Author Mike Timmer, Treasurer

## Policy on appointment and remuneration of directors of council organisations

### 1. Purpose

To update the policy on appointment and remuneration of directors of council organisations.

### 2. Background

The policy was last updated in November 2007, since then there have been a number in changes with our council organisations (CO's). A report by the Office of the Auditor General on Governance & accountability of council controlled organisations was produced in September 2015 which we have drawn on to update this policy.

Section 57 of the Local Government Act requires that Council adopt a policy that sets out an objective and transparent process for identifying, appointing and remunerating directors, who have the skills, knowledge and ability to guide and contribute to the organisation achieving its objectives.

### 3. Changes to the policy

The policy has been updated and the following significant changes noted:

- The structure of the policy has been altered, with a general policy guide upfront and specific policy for specified CO's as an appendix;
- Clarification around director appointment terms - Three year terms, max six years, maybe extended on case by case basis;
- A Director termination provision if not provided for in the CO's constitution;
- A greater focus on privacy and conflict of interest;
- Greater focus on board diversity and independent directors.

## 4. The decision-making process and significance

Officers recognise that the matters referenced in this report may have a high degree of importance to affected or interested parties.

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act). Part 6 sets out the obligations of local authorities in relation to the making of decisions.

### 4.1 Significance of the decision

Part 6 requires Greater Wellington Regional Council to consider the significance of the decision. The term ‘significance’ has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council's significance and engagement policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

### 4.2 Engagement

Engagement on the matters contained in this report aligns with the level of significance assessed. In accordance with the significance and engagement policy, no engagement on the matters for decision is required.

## 5. Recommendations

*That the Council:*

1. ***Receives the report.***
2. ***Notes the content of the report.***
3. ***Approves the Policy on the appointment and remuneration of directors in the appended **Attachment 1**.***

Report prepared by:

Report approved by:

Mike Timmer  
Treasurer

Dave Humm  
GM Corporate Services / CFO

**Attachment 1 - Policy on the appointment and remuneration of directors of council organisations.**