



# **AGENDA**

## **Late Reports**

### **Ordinary Council meeting**

### **Monday, 28 April 2025**

**Date: Monday, 28 April 2025**

**Time: 9.30am**

**Location: Bay of Plenty Regional Council Chambers  
Regional House  
1 Elizabeth Street  
Tauranga**

*Please note that this meeting will be livestreamed and the recording will be publicly available on Tauranga City Council's website: [www.tauranga.govt.nz](http://www.tauranga.govt.nz).*

**Marty Grenfell**  
**Chief Executive**



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## 11 BUSINESS

### 11.11 Appointments to the Board - Bay Venues Limited, the Tauranga Art Gallery Trust and Tourism Bay of Plenty

**File Number:** A17750991

**Author:** Fiona Nalder, Principal Strategic Advisor

**Authoriser:** Marty Grenfell, Chief Executive

Please note that this report contains confidential attachments.

Public Excluded Attachment	Reason why Public Excluded
Item 11.11 - Appointments to the Board - Bay Venues Limited, the Tauranga Art Gallery Trust and Tourism Bay of Plenty - Attachment 1 - Additional Information - Reappointment of current Directors to BVL	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons.

### PURPOSE OF THE REPORT

1. This report seeks Council decisions regarding appointments to the Boards of Council-controlled Organisations, including recommending the appointments of Elected Members to the Boards of Bay Venues Limited, Tauranga Art Gallery Trust and Tourism Bay of Plenty.

### RECOMMENDATIONS

That the Council:

- a) Receives the report "Appointments to the Board - Bay Venues Limited, the Tauranga Art Gallery Trust and Tourism Bay of Plenty".

#### Bay Venues Limited

- b) Approves the reappointment to Bay Venues Limited of:
  - i) Simon Clarke to the position of Director and Chair from 1 July 2025 to 30 June 2026; and
  - ii) Dr Wayne Beilby as Director and Mana Whenua representative from 25 July 2025 to 30 June 2026.
- c) Approves the appointment of \_\_\_\_\_ (Tauranga City Council Elected Member) as a Director of the Bay Venues Limited Board from 1 April 2025 to 30 September 2028, replacing the current Tauranga City Council employee as a Bay Venues Limited Board member.
- d) Notes that two Directors of Bay Venues Limited, Nick Lowe and Adam Lynch, have terms that finish 30 June 2025 and that neither are seeking reappointment.
- e) Notes that recruitment of expected vacancies to the Bay Venues Limited Board will commence as per Council's Appointment of Directors to Council Organisations Policy, with the final decisions regarding appointment to be made by Council.

#### Tauranga Art Gallery Trust

- f) Does not approve the reappointment of Ciska Vogelzang as a Trustee of the

Tauranga Art Gallery Trust Board, noting the current appointment term finishes on 30 April 2025.

- g) Approves the appointment of \_\_\_\_\_ (Tauranga City Council Elected Member) as a Trustee of the Tauranga Art Gallery Trust Board from 1 April 2025 to 30 September 2028.

### **Tourism Bay of Plenty**

- h) Notes that the appointment terms of Jason Hill and Clare Swallow conclude on 30 April 2025.
- i) Subject to approval by Western Bay of Plenty District Council as joint shareholder:
  - i) Approves the appointment of \_\_\_\_\_ (Tauranga City Council Elected Member) as a Trustee of the Tauranga Art Gallery Trust Board from 1 May 2025 to 30 September 2028; and
  - ii) Approves Western Bay of Plenty District Council appointing a Trustee to the remaining vacancy for a term not exceeding 30 September 2028.
- j) Delegates to the Mayor the authority (with agreement of Western Bay of Plenty District Council), to extend the appointments of Jason Hill and/or Clare Swallow to no later than 30 June 2025, if required, to allow time for the discussions with Western Bay of Plenty District Council and appointments to the Board positions.
- k) Notes that the position of Deputy Chair does not transition with the appointment of a new Trustee but is decided by Council resolution, and that a report seeking the appointment of new Deputy Chair will be provided prior to 30 June 2025.

### **Decisions inconsistent with Council policy**

- l) Notes that Council is permitted to make decisions inconsistent with policy under Section 80 of the Local Government Act 2002.
- m) Notes that recommendations of this report are inconsistent with Council's Appointment of Directors to Council Organisations Policy, as this policy:
  - i) Does not allow for the appointment of Elected Members as Directors/Trustees, other than in exceptional circumstances.
  - ii) Provides for Tourism Bay of Plenty Trustees to be jointly appointed with Western Bay of Plenty District Council.
- n) Notes that the reasons for recommending actions which are inconsistent with the policy are:
  - i) Appointment of Elected Members as Directors/Trustees provide Councils with an opportunity to deepen its knowledge of Council-controlled organisations' governance and operations, as part of Council's wider objective of ensuring Council-controlled organisations are best positioned to meet the needs of the community.
  - ii) To retain the ability for both Tauranga City Council and Western Bay of Plenty District Council to be able to make decisions on appointment of Tourism Bay of Plenty Trustees
- o) Confirms that there is no intent to amend Council's Appointment of Directors to Council Organisations Policy to allow for the regular appointment of Elected Members as Directors/Trustees or to change the future approach to appointment of Tourism Bay of Plenty Trustees.

### **Transfer to open**

- p) **Attachment 1** is to remain in the public excluded section to protect the privacy of natural persons.

## EXECUTIVE SUMMARY

2. This report discusses the governance arrangements for Council-controlled Organisations (CCOs) and recommends the appointment of Elected Members (EMs) to the Boards of three CCOs: Bay Venues Limited, Tauranga Art Gallery Trust, and Tourism Bay of Plenty.
3. Bay Venues Limited (BVL)
  - Extend the terms of Simon Clarke (Chair) and Dr Wayne Beilby (mana whenua representative) until June 2026.
  - Appoint an Elected Member, replacing the current TCC employee Board member.
  - Commence recruitment of the upcoming vacant Director positions.
4. Tauranga Art Gallery Trust (the Art Gallery)
  - Do not extend the term of Ciska Vogelzang, to allow an Elected Member to be appointed as a Trustee in replacement.
5. Tourism Bay of Plenty (TBOP)
  - Subject to agreement of Western Bay of Plenty District Council (WBODPC), TCC to appoint an Elected Member as a Trustee, and WBODPC to appoint a Trustee.
  - Delegate to the Mayor the authority to temporarily extend existing positions if needed.
6. Several Directors' terms are ending, requiring Council to appoint new Directors or to reappoint existing Directors.
7. This provides the current Council with the opportunity of deepening its knowledge of CCO governance and operations by appointing Elected Members to these Boards.
8. The recommendations of this report are inconsistent with Council's Appointment of Directors to Council Organisations Policy, which does not allow for the appointment of Elected Members as Directors, other than in exceptional circumstances.
9. Section 80 of the Local Government Act 2002 allows for decisions inconsistent with policy if the inconsistent decision is clearly identified (yes – appointment of Elected Members to the Boards of CCOs), the reason for the inconsistent decision is identified (yes – to deepen Council's knowledge of CCO governance and operations for the benefit of the community), and Council identifies whether the policy will be amended to allow for the inconsistency (no).
10. Appointing Elected Members provides the Council with deeper insights into CCO operations. However, it reduces the independence of the CCOs and is inconsistent with current policy.
11. Elected Members appointed as Directors will not receive remuneration for these positions (as per Council policy). This could deliver a potential saving of circa \$21,000 per annum.
12. The next steps will be to implement Council's resolutions, including appointing Elected Members, extending current appointments, liaising with Western Bay of Plenty District Council, and commencing recruitment for remaining vacancies.

## BACKGROUND

13. Tauranga City Council has several Council-controlled Organisations (**CCOs**), including:
  - Bay Venues Limited (**BVL**)
  - Tauranga Art Gallery Trust (the **Art Gallery**)
  - Tourism Bay of Plenty (**TBOP**)
14. CCOs are governed by a Board of Directors<sup>1</sup>. This report addresses appointment of Directors to the Boards of the three CCOs listed above. The appointment of Directors is governed by Council's [Appointment of Directors to Council Organisations Policy \(the Policy\)](#).
15. The Policy sets out principles and processes that apply to the appointment of Directors. It includes the following:
  - The normal tenure of a Director will be for six years, subject to review following their first three-year period. Appointment periods expire on 30 April.
  - A Director cannot be appointed to the same board after serving nine years.
16. The Policy also sets out restrictions regarding who can be appointed as a Director and remuneration.
  - Elected members of Council are not eligible, other than in exceptional circumstances.
  - Employees of Council are not eligible, unless they are appointed in their capacity as an employee of Council.
  - Employees of a CCO are not eligible, other than in exceptional circumstances.
  - Where Elected Members and Council employees may have been appointed as directors of a CCO, they will not be remunerated for that role unless provided for by specific Council resolution.
17. Several Directors appointed to the Boards of BVL, the Art Gallery and TBOP are coming to the end of either their 3-year or 6-year terms. This provides an opportunity to consider how the appointment of replacement Directors can best serve these CCOs and the wider community.
18. Whilst the Policy does not allow for appointment of Elected Members as Directors, this report seeks decisions inconsistent to the Policy. The current Council is in the first year of its four-year term, following a period of governance by Commission. Appointment of Elected Members as Directors provides this Council with an opportunity to deepen its knowledge of CCO governance and operations, as part of Council's wider objective of ensuring CCOs are best positioned to meet the needs of the community.

## Bay Venues Limited (BVL)

19. BVL's Board of Directors has four vacancies coming up over the next few months.
  - Nick Lowe, commenced 1 July 2017, not seeking reappointment, current term runs until 30 June 2025 (CO11/21/1)<sup>2</sup>.
  - Adam Lynch, commenced 1 July 2021, not seeking reappointment, current term runs until 30 June 2025 (CO11/21/2).
  - Simon Clarke (Chair), commenced 1 July 2021, current term runs until 30 June 2025 (CO11/21/3).

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<sup>1</sup> Note that for the purposes of the Policy and this report, the term Director and Trustee can be used interchangeably.

<sup>2</sup> Council resolution reference

- Dr Wayne Beilby (mana whenua representative), commenced 25 July 2022, current term run until 24 July 2025 (CO14/22/18).
20. Simon Clarke and Dr Wayne Beilby are seeking reappointment as Directors. This report recommends that the terms for Simon Clarke and Dr Wayne Beilby are extended until the end of June 2026.
  21. Extension of Simon Clarke's appointment and role as Chair will allow time for succession planning for a replacement chair. Extension of Dr Wayne Beilby's role acknowledges the value he brings to the Board in terms of mana whenua relationships. Further information regarding the skills and experience of these Board members is provided in Attachment 1.
  22. This report recommends that a TCC Elected Member is appointed, replacing the current TCC employee on the Board.
  23. The two Board positions that will be vacant following the departure of Nick Lowe and Adam Lynch will be filled via standard recruitment and appointment processes (as set out by the Policy).

### **Tauranga Art Gallery Trust (the Art Gallery)**

24. The Art Gallery's Board of Trustees has one position which is due for review, Ciska Vogelzang (commenced 1 May 2021, current term runs until 30 April 2025, CO9/24/17).
25. This report recommends that Ciska Vogelzang's term is not extended, and an Elected Member is appointed as a Trustee in replacement.

### **Tourism Bay of Plenty (TBOP)**

26. TBOP is a trust, jointly controlled by Council and Western Bay of Plenty District Council (WBOPDC). Two positions on TBOP's Board of Trustees are due review.
  - Jason Hill, commenced 1 November 2018, review date 30 April 2025 (CO17/23/2).
  - Clare Swallow (Deputy Chair), commenced 10 March 2020, will have served 5 years and 2 months at her upcoming review date of 30 April 2025 (CO3/20/10).
27. This report recommends that neither Jason Hill nor Clare Swallow are reappointed to TBOP's Board of Trustees, and that the vacancies created are filled as follows:
  - one vacancy filled by an Elected Member appointed by TCC; and
  - one vacancy filled by WBOPDC,
  1. noting that these recommendations are subject to approval by the Western Bay of Plenty District Council as a joint shareholder.
28. It should be noted that previously that both TCC and WBOPDC have been involved in the interview process and selection of recommended appointment. Both Councils then consider the recommendation, and the appointment proceeds if both Councils confirm the appointment by resolution. This report recommends a change in that, rather than making the appointment jointly, each Council appoints one person.
29. The position of Deputy Chair does not transition with the appointment of a new Trustee but is decided by Council resolution. A Council report seeking the appointment of new Deputy Chair will be provided prior to 30 June 2025. If WBOPDC does not wish to make an appointment to the Board, this will be addressed by the Council report planned for prior 30 June.
30. This report also seeks delegation to the Mayor to extend either one or both of the positions above on a short-term basis until no later than 30 June 2025, if required, to allow time for WBOPDC to make a decision re appointment.

## STATUTORY CONTEXT

31. The decisions recommended by this report are inconsistent with Council's Appointment of Directors to Council Organisations Policy. Section 80 of the Local Government Act 2002 applies (see also risk section).

## STRATEGIC ALIGNMENT

32. This contributes to the promotion or achievement of the following strategic community outcome(s):

	Contributes
We are an inclusive city	✓
We value, protect and enhance the environment	<input type="checkbox"/>
We are a well-planned city	<input type="checkbox"/>
We can move around our city easily	<input type="checkbox"/>
We are a city that supports business and education	✓

33. Appointment of Elected Members as Directors to the Boards of BVL, the Art Gallery and TBOP provides this Council with an opportunity to deepen its knowledge of CCO governance and operations, as part of Council's wider objective of ensuring CCOs are best positioned to meet the needs of Tauranga, including its business community.

## OPTIONS ANALYSIS

34. This report recommends the appointment of Elected Members to the Boards of BVL, the Art Gallery and TBOP.

- Pro: The advantage of this is the Council with an opportunity to deepen its knowledge of CCO governance and operations, as part of Council's wider objective of ensuring CCOs are best positioned to meet the needs of the community.
- Cons: Council will be making decisions inconsistent with Council Policy and the Appointment of Elected Members to the BVL, the Art Gallery and TBOP Boards reduces the independence of these organisations.

35. Alternative options include, but are not limited to:

- Retaining the status quo, and recruiting as needed in compliance with Council Policy
- Establishing an alternative model, e.g. creating a liaison/advisory group consisting of a small number of Elected Members who work closely with the BVL, the Art Gallery and TBOP Boards.

36. Both of these options have the advantage of maintaining compliance with current Council policy, however they are unlikely to provide the current Council with the deeper understanding of CCO governance and operations which they aspire to.

## FINANCIAL CONSIDERATIONS

37. This report recommends extending the appointments of Simon Clarke and Dr Wayne Beilby to the Board of BVL until 30 June 2026. If Council adopts this recommendation, the current remuneration arrangements will be extended alongside the appointment term (refer to Attachment 1 for more detail).
38. Any Elected Members appointed as Directors will not receive remuneration for these positions, as per section 4.10.1 of Council's Appointment of Directors Policy. This could deliver a potential saving of approximately \$21,000 per annum.

## LEGAL IMPLICATIONS / RISKS

39. This report recommends the appointment of Elected Members to the Boards of BVL, the Art Gallery and TBOP, there are two primary risks associated with these recommendations.

- Appointment of Elected Members to the Boards of BVL, the Art Gallery and TBOP reduces the independence of these organisations.
- Appointment of Elected Members to the Boards of BVL, the Art Gallery and TBOP is inconsistent with Council's Appointment of Directors to Council Organisations Policy.

## Recommendation inconsistent with Council policy

40. Council's Appointment of Directors to Council Organisations Policy does not allow for the appointment of Elected Members as Directors, other than in exceptional circumstances. The Policy also provides for TCC and WBOPDC to jointly appoint to TBOP.

41. Section 80 of the Local Government Act 2002 applies, which allows Council to make decisions inconsistent with policy. Council must clearly identify:

- The inconsistency
  - the appointment of Elected Members to the Boards of BVL, the Art Gallery and TBOP
  - TBOP appointments to be one by TCC, and one by WBOPDC (ie. Not jointly appointed)
- The reasons for the inconsistency
  - to provide Council with an opportunity to deepen its knowledge of CCO governance and operations, as part of Council's wider objective of ensuring CCOs are best positioned to meet the needs of the community.
  - To retain the ability for both TCC and WBOPDC to be able to make decisions on appointment of TBOP Trustees.
- Any intention to amend the Policy to accommodate the appointment of Elected Members to the Boards of CCOs and change to TBOP appointment approach – it is not intended to amend the Policy.

## TE AO MĀORI APPROACH

42. Not applicable. This report addresses administrative procedures.

## CLIMATE IMPACT

43. Not applicable. This report addresses administrative procedures.

## CONSULTATION / ENGAGEMENT

44. It is not standard practice to consult on the appointment of Directors to CCOs, and consultation is not required under the Local Government Act 2002.

## SIGNIFICANCE

45. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.

46. In making this assessment, consideration has been given to the likely impact, and likely consequences for:

- (a) the current and future social, economic, environmental, or cultural well-being of the district or region
  - (b) any persons who are likely to be particularly affected by, or interested in, the decisions.
  - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
47. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decisions are of medium significance. An assessment of medium significance, rather than low significance, has been assigned to this report as the decisions proposed do not comply with current Council policy.

### ENGAGEMENT

48. Taking into consideration the above assessment, that the decisions are of medium significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

### NEXT STEPS

49. To implement the resolutions made by Council as a result of this report, including:
- Appointing Elected Members to the Boards of BVL, the Art Gallery and TBOP
  - Extending the appointments of Simon Clarke and Dr Wayne Beilby to the BVL Board until 30 June 2026
  - Liaising with Western Bay of Plenty District Council regarding the proposal for WBOPDC to appoint a person to the Board of TBOP
  - Commencing recruitment for any remaining Board vacancies.

### ATTACHMENTS

1. **Additional Information - Reappointment of current Directors to BVL - A17752928 - Public Excluded**

**11.12 Appointment of Elected Members to CCO Boards - Supplementary Report****File Number:** A17911908**Author:** Caroline Lim, CCO Specialist**Authoriser:** Gareth Wallis, General Manager: City Development & Partnerships**Please note that this report contains confidential attachments.**

<b>Public Excluded Attachment</b>	<b>Reason why Public Excluded</b>
Item 11.12 - Appointment of Elected Members to CCO Boards - Supplementary Report - Attachment 1 - Attachment 1: Bay Venues Board Skills Matrix Composition - as at April 2025	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons.
Item 11.12 - Appointment of Elected Members to CCO Boards - Supplementary Report - Attachment 2 - Attachment 3: TBOP Board Skills Matrix Composition - as at April 2025	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons.
Item 11.12 - Appointment of Elected Members to CCO Boards - Supplementary Report - Attachment 3 - Attachment 2: TAGT Board Skills Matrix Composition - as at April 2025	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons.

**PURPOSE OF THE REPORT**

- To provide supplementary information to Tauranga City Council (TCC or Council) to inform their decision on whether to appoint Elected Members to the Boards of Bay Venues Limited (Bay Venues), Tauranga Art Gallery Trust (TAGT), and Tourism Bay of Plenty (TBOP).

**RECOMMENDATIONS**

That the Council:

- Receives the report "Appointment of Elected Members to CCO Boards - Supplementary Report".
- Receives Bay Venues Board Skills Matrix Composition (**Attachment 1**).
- Receives TAGT Board Skills Matrix Composition (**Attachment 2**).
- Receives TBOP Board Skills Matrix Composition (**Attachment 3**).
- Retain the attachments of this report in the confidential section to protect the privacy of natural persons, and to protect information that is subject to an obligation of confidence (in accordance with s7(2) (a) and s7(2)(c)(i) of the Local Government Official Information and Meetings Act 1987).

**EXECUTIVE SUMMARY**

2. On 24 March 2025, a paper was presented to Council recommending the appointments of Elected Members to the Boards of Bay Venues, TAGT and TBOP (Council's substantive council-controlled organisations (CCOs)). The decision at that meeting was to let that paper 'lie on the table' to enable Councillors time to discuss and then at the April Council meeting, Elected Members will decide on whether to appoint themselves to these CCO Boards.
3. During the March Council meeting, discussions centred on a variety of topics related to the board appointments, including the skillset required to be an effective board member, conflict of interest, time commitment, and the value-add of having Elected Members on these Boards.
4. This paper is to provide supplementary information to Elected Members to help inform their decision-making.

**Key matters raised in this report likely to be of interest to Elected Members:**

5. What would an appropriate recruitment process look like that could include Elected Members, and still be fair and transparent?
6. What are the governance risks of appointing Elected Members to CCO Boards?
7. How would conflicts of interest be managed e.g. how would Elected Members meet their CCO Board obligations and then still be able to contribute to relevant conversations in the Chamber?
8. What other options exist for Elected Members to be able to influence the CCOs to ensure transparency and accountability to the residents of Tauranga?

**Financial considerations:**

9. Any Elected Members appointed as Directors or Trustees will not receive remuneration for these positions, as per section 4.10.1 of Council's Appointment of Directors Policy.
10. If the decision is to not have Elected Members on CCO Boards, payment of trustee/director fees are already set within each of the CCO's board member remuneration budgets:
  - Bay Venues – the appointment of two directors is currently set at \$35,000 each = \$70,000 per annum.
  - TAGT – the appointment of a trustee is currently set at \$7,500 = \$7,500 per annum.
  - TBOP – the appointment of two trustees is currently set at \$13,500 each = \$26,500 per annum. Note, the Deputy Chair role is currently set at \$16,875 per annum.

**The decisions to be made by Council:**

11. Whether to appoint an Elected Member to the Bay Venues Board – to replace Gareth Wallis, TCC staff appointed to this Board, tenure ends 30 April 2027.
12. Whether to appoint an Elected Member to the TAGT Board – to replace Ciska Vogelzang, Trustee, tenure ends 30 April 2025.
13. Whether to appoint two Elected Members to the TBOP Board (TCC and Western Bay of Plenty District Council (WBOPDC), as joint shareholder) to replace Clare Swallow, Deputy Chair and Trustee, and Jason Hill, Trustee, tenures end 30 April 2025.

**Key factors to consider when making those decisions (more detail in the Background section):**

14. The following should be taken into consideration:

- The Office of the Auditor General's report on CCOs and the appointments of Elected Members to CCO Boards.
- The Institute of Directors' Governance Best Practice for New Zealand Directors.
- The Companies Act 1993.
- Watercare Services Limited's Official Judicial Review case.
- Christchurch City Holdings Limited.
- The skillset required to be an effective board member.
- The governance risks of appointing Elected Members to CCO Boards.
- Managing conflicts of interest for Elected Members on CCO Boards.
- Options for Council (a spectrum of influence to ensure accountability and transparency with CCOs).
- The advantages and disadvantages of having Elected Members appointed to CCO Boards.
- Examples of how some other councils influence their CCOs.

**Next steps:**

15. Council to decide whether to appoint Elected Members to the Boards of Bay Venues (1), TAGT (1), and TBOP (2).

16. If the decision is **to appoint** Elected Members to the CCO Boards:

- TCC staff will commence the appointment panel and recruitment processes (as set down in Council's Appointment Policy) for two new directors to the Bay Venues Board (to replace Adam Lynch and Nick Lowe, tenures end 30 June 2025), for tenures to commence from 1 July 2025.

17. If the decision is **to not appoint** Elected Members to the CCO Boards:

- TCC staff will commence the appointment panels and recruitment processes (as set down in Council's Appointment Policy) for five board members across three CCOs, for tenures to commence from 1 July 2025.
- Two new directors to the Bay Venues Board (to replace Adam Lynch and Nick Lowe, tenures end 30 June 2025).
- One new trustee to the TAGT Board (to replace Ciska Vogelzang, tenure ends 30 April 2025).
- Two new trustees to the TBOP Board (to replace Clare Swallow and Jason Hill, tenures end 30 April 2025). Extension of tenure is required for a further two months to now end 30 June 2025.

**BACKGROUND**

18. Council appoints board members to the Boards of Bay Venues and TAGT, and jointly appoints board members for TBOP with WBOPDC under TCC's [Appointment of Directors to Council Organisations Policy](#).

19. *“Appointing board members is an important role because it is one of Council’s principal means for influencing the performance of a CCO. A transparent process is important so that the public can have confidence that directors are appointed on merit and drawn from a wide range of possible appointees.”* – (OAG CCO Report, Section 5.5, Pg 32).
20. Board members are recruited through an objective and transparent process and appointments are based on merit, according to Council’s Appointment Policy.
21. Optimal CCO Boards consist of new board members’ skillset complementing the rest of the board, succession planning for a new chair, ongoing mentorship, and ongoing professional development of all board members.

### **Governance and accountability of CCOs (Office of the Auditor General)**

The following are the key points from the OAG’s report on the appointment of Elected Members to CCO Boards:

#### **22. *Councillors as directors:***

- Local authorities may appoint councillors to CCO boards to align the CCO’s objectives with the council and facilitate information flow.
- The appointment process for councillors must be objective and transparent, ensuring they possess the necessary skills and experience.
- Councillor-directors offer local government knowledge, political insight, and community representation, but face potential conflicts of interest and pressure from community groups.
- The general consensus is that the disadvantages of councillor appointments outweigh the benefits, with a preference for competent, independent directors.
- Appointing councillors should be the exception, with transparent selection criteria and effective monitoring systems to ensure alignment with the local authority’s objectives.

#### **23. *Appointments process:***

- Local authorities must adopt a transparent and objective policy for appointing governing body members with the necessary skills and competencies.
- The policy should address eligibility, skill identification, candidate assessment, appointment panel composition, board chair involvement, and director remuneration.
- Including the CCO chair in the appointment process can be beneficial due to their knowledge of current board members and candidate fit.

#### **24. *Conclusion from the OAG on an appropriate, fair and transparent recruitment process that could include Elected Members:***

- Appointing councillors should be an exception, with a transparent process and the same criteria as for independent directors or trustees.
- Councillors can contribute to governance but must have the necessary skills.
- Effective monitoring and oversight should replace the need for councillor-directors.
- The OAG’s report emphasises the importance of skills and transparency in appointments, and suggests alternative methods for local authorities to influence CCOs.

### **Four Pillars of Governance Best Practice for NZ Directors (Institute of Directors):**

The following are the key points on Pillar Two – An Effective Governance Culture:

25. *The board’s leadership is essential in fostering high ethical standards and a healthy organisational culture.* This involves leading by example, supporting management, and ensuring accountability. Effective boards are characterised by capability, independence, inclusion, and open debate. They must avoid groupthink by encouraging critical evaluation and diverse perspectives. A healthy board culture values dissent, trust, full information disclosure, and continuous improvement through training and succession planning.

26. *Building an effective board* requires the following elements which will enhance decision-making and drive long-term success.:
- *Skills and experience*: A diverse mix of skills and backgrounds.
  - *Diversity*: Embracing varied perspectives while ensuring competence.
  - *Stability and new membership*: Balancing continuity with fresh insights.
  - *Tenure and size*: Appropriate board tenure and size.
  - *Role balance*: A mix of executive, non-executive, and independent directors.
  - *CEO dynamics*: Effective interaction between the Board and the CEO (of the CCO).
27. *The following process ensures a wide pool of candidates, transparency, and objectivity in selecting directors, which is essential for good governance.* The process involves (and is set out under TCC's Appointment Policy):
- *Identifying candidates*: Use search agencies, advertisements, and personal contacts to find diverse, high-calibre candidates.
  - *Screening and interviewing*: Shortlist and interview candidates. Candidates should declare any conflicts of interest early on.
  - *Nomination Committees*: For larger companies, delegate the selection to a diverse nomination committee, primarily composed of independent non-executive directors.
  - *Reporting and selection*: The appointment panel or nomination committee reports to the full board, which then selects the preferred candidates and makes recommendations to shareholders.
28. *A new director is joining an eco-system and will have an impact on the board and its existing culture and dynamics. Therefore, when selecting directors, boards should prioritise qualities that align with the CCO's needs.* Key attributes include:
- *Integrity*: Ensuring ethical conduct.
  - *Courage*: Asking critical questions and acting in the CCO's best interests.
  - *Listening and questioning*: Open-mindedness and receptiveness to new ideas.
  - *Good judgement*: Applying sound business sense and critical analysis.
  - *Commitment to knowledge*: Staying current with business issues.
  - *Reliability and dependability*: Being well-prepared and committed to board responsibilities.

### The Companies Act 1993

29. The [Companies Act](#) is the primary legislation governing companies in New Zealand, regulating their formation, operation, and dissolution. It defines the relationships between companies, their directors, shareholders, and creditors, and aims to ensure responsible and efficient company management.
30. In essence, this Act sets down the rules that every director in New Zealand must follow to ensure good governance.
31. To avoid conflicts of interest, a director's loyalty is first and foremost to this Act (as per Section 131 – *Duty of directors to act in good faith and in the best interest of company*).

### Watercare Services Limited's Official Judicial Review Case

32. Auckland Council reappointed Geoff Hunt on 12 October 2024 as Chair to the Board of Watercare Services Limited, following a judicial review of the appointment process undertaken earlier that year.
33. The Independent Māori Statutory Board (Houkura) initiated a judicial review in the High Court at Auckland against Auckland Council over the appointment of Geoff Hunt as Chair of Watercare.
34. Houkura claimed the appointment process was procedurally unlawful, as a panel had unanimously recommended a Māori candidate, but the council's Performance and Appointments Committee amended the decision in favour of Hunt.
35. Houkura Chair David Taipari emphasised that the issue lies with the procedure, not the individual. Houkura argued that the amendment did not comply with the council's standing orders, making the decision invalid. The council, however, maintained that the process was lawful.
36. Houkura had challenged the appointment on three grounds: (1) Non-compliance with council processes, (2) Failure to consider the relevance of tikanga Māori to Watercare's governance, and (3) Neglecting the relationship of Māori with their ancestral water. The court agreed with the second argument, leading to the decision being set aside.
37. Justice Michele Wilkinson-Smith found that the council did not properly consider the importance of tikanga Māori, as required by the LGA (2002). The council's interpretation of the Act was deemed insufficient in meeting Treaty obligations. Consequently, the Performance and Appointments Committee had to restart the appointment process.
38. In light of the court's decision, the council has committed to revisiting its appointment policies and processes, and Houkura was entitled to reasonable costs and disbursements.

### Christchurch City Holdings Limited

39. Christchurch City Holdings Limited (CCHL) is the wholly owned investment arm of the Christchurch City Council and it is a CCO that manages the council's investments in several trading companies, which own and operate key Christchurch infrastructure. These include the airport, port and the electricity network.
40. The CCHL Board consists of four Council-appointed directors and four independent directors.
41. Following each Council election, a Council Appointments Committee is formed to recommend candidates for non-Council director positions when vacancies occur.
42. This Committee typically includes the CCHL chair, a councillor, a recently retired councillor, and an experienced external director, none of whom are seeking board appointments.
43. The Committee identifies the necessary skills, knowledge, and experience required for the board to function effectively.
44. Given the confidential and sensitive nature of the board's business, it is crucial that the board maintains the confidence of both the Council and its subsidiary companies. Directors are appointed based on merit.
45. Additionally, the Council appoints the Chair of the CCHL board based on the Committee's nomination. A Chair Succession Planning Policy ensures a smooth transition between CCHL chairs.
46. In 2024, four directors (including the chair) resigned due to the council's rejection of CCHL's proposal to actively manage its portfolio, and the subsequent decisions prioritising short-term dividends over long-term investment and debt reduction.

### Skillset requirements

47. To ensure every CCO Board is operating optimally, each board member will need the prerequisite governance and financial experience and have a sound understanding of the Local Government sector. In addition, depending on the purpose, objectives and business of the CCO, there will be specific skillset required to replace outgoing board member(s).
48. *For the Bay Venues Board* (please refer to **Attachment 1**), either independent and/or Elected Member:
- Collectively, the Board's strengths are:
    - Governance experience that covers the key governance skill areas, especially in strategy, risk, and stakeholder engagement.
    - Industry knowledge and experience in Bay Venues' sector areas.
    - Strong expertise in functional areas, including Health & Safety and HR.
  - Based on the skills gaps and Bay Venues' sector areas, the following areas need to be considered in recruitment of new directors:
    - Gender, ethnicity and age.
    - Knowledge of community facilities and services.
    - Te Tiriti o Waitangi and/or Iwi connections.
    - IT/Digital.
49. *For the TAGT Board* (please refer to **Attachment 2**), either independent and/or Elected Member:
- Well-connected to the local arts community at the grassroots level – valuable stakeholder connections are vital. This includes local artists, arts patrons, practicing amateur artists, local art organisations, and those interested in the arts.
  - Governance experience is preferred as well as HR and coaching skills.
50. *For the TBOP Board* (please refer to **Attachment 3**), either independent and/or Elected Member:
- Must have extensive tourism industry experience.
  - Well-connected to the tourism industry and the Bay of Plenty region, with key partners and stakeholders such as the Port of Tauranga, various local operators, councils, retailers, iwi, traffic management, national agencies, and local residents.
  - Legal and HR experience are preferred.

### Governance risks of appointing Elected Members to CCO Boards

51. The following are the five key governance risks:
- *Impartiality and political influence*: Elected Members may be more susceptible to political pressures, potentially leading them to prioritise political agendas over the CCO's commercial or operational needs. This could undermine the CCO's ability to operate at arm's length from the local authority and make objective decisions.
  - *Lack of expertise and competence*: Elected Members, while having political experience, may not possess the financial, strategic, or operational skills needed to contribute effectively to the governance of a CCO. This could lead to poor decision-making and potentially harm the CCO's performance.

- *Conflicts of interest:* Elected Members may face conflicts of interest when holding dual roles, such as being both a council member and a director of a CCO. This duality could lead to decisions being influenced by their council responsibilities rather than the best interests of the CCO. For instance, TAGT and TBOP, which are charitable trust boards, must comply with the Companies Act, the Charitable Trust Deed, the trust's purpose, and the Trust Act 2019. The Trust Act imposes mandatory duties on trustees that cannot be altered by the trust's terms, focusing solely on achieving charitable purposes. This situation could become problematic if the community perceives decisions as favouring Council over the CCOs.
- *Accountability and transparency:* When Elected Members are on the board, it could blur the lines of accountability between the council and the CCO. This can make it harder for the community to understand who is responsible for the CCO's performance and whether they are receiving value for their money.
- *Impact on CCO performance:* The risks associated with elected member appointments, such as potential bias and lack of expertise, could ultimately impact the CCO's ability to achieve its goals and perform effectively.

### Managing conflicts of interest for Elected Members appointed to CCO Boards

52. TCC has a conflict of interest register and in its Appointment Policy, it sets down the Code of Conduct that every board member must adhere to. It states with regards to conflict of interest that *Council expects that directors appointed under this policy will avoid situations where their actions could give rise to a conflict of interest.*
53. Conflicts of interest for Elected Members on CCO Boards can arise when personal or professional interests could potentially influence their impartial judgement or decision-making.
54. *Types of conflicts of interest* include financial, non-financial and public vs private interests:
  - *Financial:* A board member's duties could be affected by a financial interest in a company, organisation, or individual involved in a council matter.
  - *Non-financial:* Personal relationships, roles in other organisations, or prior conduct that could be perceived as biased or could create a conflict of interest.
  - *Public vs. private interests:* Elected Members must balance their duty to the community with their personal interests and avoid situations where their judgement might be compromised.
55. *Management of conflicts of interest* include disclosure, transparency, abstention and seeking advice:
  - *Disclosure:* Board members must disclose their relevant interests to the chair and relevant local authority as soon as they become aware of them.
  - *Transparency:* Interests should be entered into a register and reviewed at each meeting.
  - *Absence or abstention:* A board member may need to abstain from discussions or voting on a matter where a conflict of interest exists.
  - *Seeking advice:* If there is doubt about a conflict, it's important to seek guidance from legal or policy experts.
  - *Adherence to policies:* Elected Members should follow the council's or organisation's conflict of interest policy.
  - *Common law and bias:* Conflicts are often governed by the common law about bias, which emphasises fairness and impartiality.
  - *Professional ethics:* Board members should act honestly and impartially, avoiding any actions that could damage the council's reputation or the public's trust.

### Options for Elected Member involvement – Spectrum of Influence

56. The following consists of some options for Elected Members to consider ensuring influence, transparency and accountability of its CCOs.

Options	Elected Members appointed to CCO Boards	Observer on CCO Boards	Advisory Group or Working Party	CCO Monitoring Committee	Committee of the Whole
Level of Council influence on its CCO	Very Low	Low	Medium	High	Very High
Trust and confidence between Council and CCO	Very Low	Low	Medium	High	Very High
Overview of this option	Elected Members assume the role and responsibilities of a director or trustee.	To have an observer on each CCO Board reporting back to Council. Role and responsibilities will need to be clearly defined.	Delegate Elected Members to caucus CCO matters prior to Council meetings.	Four Elected Members on this Committee.	All Elected Members on this Committee.

### Spectrum of Influence option: Elected Members appointed to CCO Boards

57. This option would be direct appointments to CCO Boards of Elected Members.
58. The following outlines some of the advantages and disadvantages of Elected Members being appointed to CCO Boards.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>Having Councillors on CCO Boards should better align that CCO with Council's objectives and strategic priorities.</li> <li>Councillors have valuable knowledge of the local community, which can inform CCO decision-making and ensure that the CCO is responsive to community needs.</li> <li>Councillors bring a unique perspective and understanding of the political landscape, which can be helpful in navigating complex situations and building relationships with stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Councillors have a primary duty to act in the public interest, but as CCO directors or trustees, they will need to prioritise CCO's interests, potentially leading to a conflict between their roles.</li> <li>The public may perceive a lack of transparency and accountability when Councillors, who are already accountable to the community, also sit on CCO Boards, potentially blurring the lines of responsibility.</li> <li>Councillors' political ties and agendas could influence CCO decisions, potentially undermining the CCO's independence (operating at arm's length) and ability to make sound business judgments.</li> </ul>

<ul style="list-style-type: none"> <li>• Councillors can function as a bridge between the CCO and Council, facilitating the flow of information and ensuring that the CCO is aware of Council's expectations and priorities.</li> <li>• The presence of Councillors on CCO Boards can provide an extra layer of assurance that the CCO is operating in the best interests of the community and Council.</li> <li>• Councillors can function as a representative for their community's interests within the CCO, ensuring that the CCO is accountable to the community and responsive to its needs.</li> </ul>	<ul style="list-style-type: none"> <li>• Tensions can arise between the objectives of pursuing CCO interests and delivering community outcomes, which can be difficult to reconcile when Councillors participate in both roles.</li> <li>• Managing risks to Council's reputation might be difficult, especially when Councillors participate in CCO decisions that could negatively impact Council's reputation.</li> <li>• Councillors may not receive adequate support in holding CCOs to account, which can further reduce their ability to effectively oversee these organisations.</li> <li>• Councillors may lack the business experience and expertise necessary to effectively manage the risks associated with CCO operations, potentially leading to poor decision-making and poor performance.</li> <li>• Political interference in CCO operations can create instability and make it difficult to attract and retain skilled board members with specialised business, industry or community expertise that may not be readily available within Council's own rank, further increasing the risk of poor decision-making and performance.</li> <li>• CCOs cannot operate with a degree of independence or be free from potential political interference or pressures that might arise from Council involvement.</li> <li>• Might not allow CCOs to focus on their specific objectives and business strategies, without being constrained by political interference.</li> <li>• Might lead to less effective decision-making and poor outcomes for the community.</li> <li>• Cannot attract funding from sources beyond Council rates, potentially leading to greater financial unsustainability and lack of resilience.</li> </ul>
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### **Spectrum of Influence option: Observers on CCO Boards**

59. This option would be for Elected Members to be observers on CCO Boards.
60. The OAG report discusses the practice of local authorities sending observers to the board meetings of their CCOs. These observers, who can be elected officials or employees, informally report back to the local authority on the CCO's activities. The rationale is to provide the local authority with reassurance and to offer its perspective to the CCO.

61. However, if there is already an effective monitoring system and a good relationship between the local authority and the CCO, the observer may not add significant value. It cites Port Otago Limited as an example where the observer role worked well due to strong relationships.
62. For the observer role to be effective, it must be clearly defined and understood by all parties involved. Key considerations include the observer's rights to speak at meetings, the type of information they convey and receive, their access to confidential information, and having clear role definition and responsibilities.
63. The OAG's report concludes that the observer role should benefit both the local authority and the CCO, and should not replace formal monitoring mechanisms.

#### **Spectrum of Influence option: Advisory Group or Working Party**

64. A CCO Working Party option was previously adopted by Council and worked well, enabling delegated Elected Members to caucus CCO matters, then provide advice on them at Council meetings.
65. The following are some of the advantages and disadvantages of establishing an Advisory Group or Working Party:

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Having a specialist team of elected members to have a strong understanding of CCOs so that they can discuss matters effectively and provide advice efficiently.</li> <li>• Staff and independent experts can build trusted relationships with the Working Party and provide valued advice on CCO matters.</li> </ul>	<ul style="list-style-type: none"> <li>• This functions in an advisory-only basis and the working party does not have delegated authority to make decisions on the CCOs.</li> <li>• If there is no trust and cohesion with the elected member body, there may still be relitigating of CCO matters with the wider Council decision-making group.</li> </ul>

#### **Spectrum of Influence option: CCO Monitoring Committee**

66. A dedicated CCO Monitoring Committee option could have the following role and membership:
67. *Role:*
  - Demonstrate leadership to create a shared vision and agenda across the CCOs to address current issues.
  - Create dialogue and engage in vital conversations to effect transformational change.
  - Review and consider the various governance and financial documents (Enduring Statement of Expectations, Letter of Expectations, Statements of Intent, Six Monthly and Annual Reports) and present their recommendations to Council.
  - Liaise and share information about the activities of both TCC and individual CCOs with the wider Council and stakeholder group.
  - Ensure transparency and accountability of the CCOs.
68. *Membership could include:*
  - Four elected members, as nominated and appointed by Council for their term of office (being four years initially, and three years thereafter as per the usual election cycle).
  - There could be an option to have an independent Chair.

69. *Operation* – meetings could run quarterly in March, June, September and December and would include the relevant CCO Chair and / or Deputy Chair, the CCO Chief Executive / General Manager / Director. Additional meetings to be arranged if required. Council would provide secretarial services, a meeting venue, and a liaison staff member. The Committee may invite non-members to provide information at meetings. There is no additional remuneration payable to members of the Committee.
70. This approach is consistent with Auckland Council’s CCO Direction and Oversight Committee, where they have a quorum of six elected members. More information is available on their [website](#).
71. The following are some of the advantages and disadvantages of establishing a CCO Monitoring Committee:

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>The committee members have oversight across both forward looking and retrospective CCO documents.</li> <li>Having an expert quorum of elected members who understand CCO matters.</li> <li>Staff and independent experts can build trusted relationships with the Committee and provide valued advice on CCO matters.</li> <li>All elected members are across all information discussed about the CCOs.</li> </ul>	<ul style="list-style-type: none"> <li>Needing to relitigate the CCO conversations in Council meetings.</li> <li>Inefficiency and use of the elected members’ time, expertise and particular areas of interest.</li> </ul>

#### Spectrum of Influence option: CCO Committee of the Whole

72. This is an option whereby all of the Elected Members are involved in the Committee.
73. The following are some of the advantages and disadvantages of establishing a Committee of the Whole:

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>All elected members are across all information discussed about the CCOs.</li> </ul>	<ul style="list-style-type: none"> <li>Inefficiency and use of the elected members’ time, expertise and particular areas of interest.</li> <li>Needing to relitigate the CCO conversations in Council meetings.</li> </ul>

#### Examples of how some other councils influence their CCOs

74. The following outlines the approaches undertaken by Auckland, Wellington and Christchurch Councils:

Council	Scale	Approach	More information
Auckland Council	Has five substantive CCOs (managing assets worth at least \$10 billion – Auckland Transport, Auckland Future Fund, Watercare Services Limited, Eke Panuku Development Auckland and Tātaki Auckland Unlimited)	<p>CCOs are accountable to the council through the governing body. They are required to proactively build relationships with local boards, as well as develop engagement plans with them. The requirements for local board engagement plans are set out in the Governance Manual. There are also Liaison Councillors for substantive CCOs.</p> <p>Auckland Council has a <u>CCO Direction and Oversight Committee</u>, where they have a quorum of six elected members.</p>	<p><a href="https://governance.aucklandcouncil.govt.nz/11-council-controlled-organisations">https://governance.aucklandcouncil.govt.nz/11-council-controlled-organisations</a></p> <p><a href="https://governance.aucklandcouncil.govt.nz/media/qkifbnag/20230421-governance-manual-section-11-council-controlled-organisations-final.pdf">https://governance.aucklandcouncil.govt.nz/media/qkifbnag/20230421-governance-manual-section-11-council-controlled-organisations-final.pdf</a></p> <p><a href="https://www.aucklandcouncil.govt.nz/about-auckland-council/how-auckland-council-works/meetings-council-bodies/find-meeting/committee-meetings/Pages/cco-oversight-committee.aspx">https://www.aucklandcouncil.govt.nz/about-auckland-council/how-auckland-council-works/meetings-council-bodies/find-meeting/committee-meetings/Pages/cco-oversight-committee.aspx</a></p>
Christchurch City Council	Has 20 CCOs (14 companies and six trusts)	Monitoring the financial and non-financial performance of the Council and CCOs go to their Finance and Performance Committee of the Whole, which meets monthly and has a quorum of half of the members if the number of members (including vacancies) is even, or a majority of members if the number of members (including vacancies) is odd.	<p><a href="https://ccc.govt.nz/the-council/how-the-council-works/council-controlled-organisations">https://ccc.govt.nz/the-council/how-the-council-works/council-controlled-organisations</a></p> <p><a href="https://ccc.govt.nz/assets/Documents/The-Council/Committees/2022-2025/Term-2022-2025-CONFIRMED-Committee-Terms-of-Reference-Master-Version-confirmed-03-November-2022-v2.pdf">https://ccc.govt.nz/assets/Documents/The-Council/Committees/2022-2025/Term-2022-2025-CONFIRMED-Committee-Terms-of-Reference-Master-Version-confirmed-03-November-2022-v2.pdf</a></p>
Wellington City Council	Has eight CCOs, including Wellington Zoo and Experience Wellington	<p>Currently, their CCOs report to their <u>Kōrau Tōtōpu   Long-term Plan, Finance, and Performance Committee</u>, which can be found <u>here</u>: <a href="#">Long-term Plan, Finance, and Performance Committee - Meetings - Wellington City Council</a></p> <p>This committee meets six-weekly and has a quorum of nine out of 16 elected members.</p> <p>The terms of reference, which state the responsibility of the Committee regarding CCOs, can be found in the <i>more information</i> links.</p> <p>Note – they previously had a dedicated CCO Subcommittee with 7 members which was disestablished in the past triennium 2019-22.</p>	<p><a href="https://wellington.govt.nz/your-council/about-the-council/council-controlled-organisations">https://wellington.govt.nz/your-council/about-the-council/council-controlled-organisations</a></p> <p><a href="https://wellington.govt.nz/your-council/meetings/committees/disestablished-committees/council-controlled-organisations-subcommittee">https://wellington.govt.nz/your-council/meetings/committees/disestablished-committees/council-controlled-organisations-subcommittee</a></p> <p><a href="https://wellington.govt.nz/media/your-council/meetings/tor-2022-2025/tor-2022-2025-long-term-plan-finance-and-performance-committee.pdf?la=en&amp;hash=B1283E93B5B95D4D4CA767F01D23D4A0DFCA9556">https://wellington.govt.nz/media/your-council/meetings/tor-2022-2025/tor-2022-2025-long-term-plan-finance-and-performance-committee.pdf?la=en&amp;hash=B1283E93B5B95D4D4CA767F01D23D4A0DFCA9556</a></p>

## STATUTORY CONTEXT

75. Appointment of effective board members to council-controlled organisations such as Bay Venues, TAGT and TBOP is one of Council's core responsibilities.
76. An optimal CCO Board is a board that collectively has the right mix of skillset across all its board members. This optimisation is essential to ensure CCOs can contribute to Council's priorities and strategic outcomes, make sound decisions, and perform at a very high level.

## STRATEGIC ALIGNMENT

77. The CCOs contribute to the promotion or achievement of the following strategic community outcome(s):

	Contributes
We are an inclusive city	✓
We value, protect and enhance the environment	✓
We are a well-planned city	✓
We can move around our city easily	✓
We are a city that supports business and education	✓

78. The CCOs actively work in partnership with Council, mana whenua, and our community to achieve great outcomes, value for money, and delivering more with less resources. This is reflected in their SOIs, and their performance against financial and non-financial measures.

## OPTIONS ANALYSIS

79. There are no options to consider as this is an information-only report to inform Council's decision-making.

## FINANCIAL CONSIDERATIONS

80. Any Elected Members appointed as Directors will not receive remuneration for these positions, as per section 4.10.1 of Council's Appointment of Directors Policy.
81. If the decision is to not have Elected Members on CCO Boards, payment of trustee/director fees are already set within each of the CCO's board member remuneration budgets:
  - Bay Venues – the appointment of two directors is currently set at \$35,000 each = \$70,000 per annum.
  - TAGT – the appointment of a trustee is currently set at \$7,500 = \$7,500 per annum.
  - TBOP – the appointment of two trustees is currently set at \$13,500 each = \$26,500 per annum. Note, the Deputy Chair role is currently set at \$16,875 per annum.

## LEGAL IMPLICATIONS / RISKS

82. Elected Member appointments are inconsistent with the process and term set out in Council's [Appointment of Directors to Council Organisations Policy](#).
83. Council's Appointment Policy recognises that the appointment of directors should be based on merit and that directors should possess the appropriate level of skills, knowledge and/or experience to guide the CCO, and contribute to the achievement of the CCO's objectives.
84. Having Elected Members on CCO Boards can create legal risks, particularly concerning potential conflicts of interest and the potential for actions to be perceived as biased or outside the scope of their authority, requiring careful management of roles and responsibilities.

85. At a practical level, with the aim of new appointments starting on 1 July 2025, Council might not find board members with the right skillset given the short amount of time available for the recruitment and selection process, and CCOs might not being able to achieve the legislative requirements of their Statements of Intent or quorum at their meetings.

### TE AO MĀORI APPROACH

86. Bay Venues, TAGT and TBOP Boards are required to have one Mana Whenua representative. The recruitment process is led by Council's Takawaenga Māori Unit and Te Rangapu Mana Whenua of Tauranga Moana's Selection Panel.
87. The Selection Panel consists of a minimum of three members – two Te Rangapu members and one TCC member.

### CLIMATE IMPACT

88. CCOs' Statements of Intent outline their commitment and KPIs towards achieving sustainable best practice.

### CONSULTATION / ENGAGEMENT

89. It is not required or expected to consult on the appointment of board members to council-controlled organisations under the Local Government Act 2002.

### SIGNIFICANCE

90. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
91. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
- (a) the current and future social, economic, environmental, or cultural well-being of the district or region;
  - (b) any persons who are likely to be particularly affected by, or interested in, the decision; and
  - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
92. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of medium significance.

### ENGAGEMENT

93. Taking into consideration the above assessment, that the decision is of medium significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

*Click here to view the [TCC Significance and Engagement Policy](#)*

### NEXT STEPS

94. Council to decide whether to appoint Elected Members to the CCO Boards of Bay Venues (1), TAGT (1) and TBOP (2).
95. Once direction has been provided, TCC staff to start the appointment panel and recruitment processes for new board members to commence tenure from 1 July 2025.

### ATTACHMENTS

- 1. **Attachment 1: Bay Venues Board Skills Matrix Composition - as at April 2025 - A17935775 - Public Excluded**
- 2. **Attachment 3: TBOP Board Skills Matrix Composition - as at April 2025 - A17924216 - Public Excluded**
- 3. **Attachment 2: TAGT Board Skills Matrix Composition - as at April 2025 - A17959075 - Public Excluded**

## 12 PUBLIC EXCLUDED SESSION

### Resolution to exclude the public

#### RECOMMENDATIONS

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter 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 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
<b>Confidential Attachment 1 - 11.11 - Appointments to the Board - Bay Venues Limited, the Tauranga Art Gallery Trust and Tourism Bay of Plenty</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>Confidential Attachment 1 - 11.12 - Appointment of Elected Members to CCO Boards - Supplementary Report</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>Confidential Attachment 2 - 11.12 - Appointment of Elected Members to CCO Boards - Supplementary Report</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>Confidential Attachment 3 - 11.12 - Appointment of Elected Members to CCO Boards - Supplementary Report</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7