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**REPORT 6**  
*(1215/11/IM)*

## **ELECTED MEMBER APPOINTMENTS TO COUNCIL CONTROLLED ORGANISATIONS**

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### **1. Purpose of Report**

To make Councillor appointments to Council Controlled Organisations for the duration of the 2010 - 2013 triennium.

### **2. Executive Summary**

Nominations for Councillor appointments to Council Controlled Organisations (CCOs) are put forward by the Mayor at the first Council meeting of the new triennium for ratification.

Either because of Trust Deed or Company Constitution requirements, or a previous decision of the Council, Councillors are appointed to represent the Council's interests on the Boards of the majority of its CCOs<sup>1</sup>. Such appointments are made at the beginning of each triennium for the duration of the triennium. Council agreed in 2004 that Councillors can be appointed to the board of more than one CCO.

Councillors appointed to the boards of CCOs are entitled to receive the fee approved by the Council for payment to a member of the Board of the CCO concerned (for Wellington International Airport Limited, which is not a CCO the fees are set by the shareholders).<sup>2</sup> A report on recommended fee levels for the 2010 – 2013 triennium accompanies this report.

A separate report will be presented to Council in respect of Councillor appointments to Council Organisations, Council's advisory groups and other organisations.

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<sup>1</sup> The exception is Wellington Cable Car Limited.

<sup>2</sup> The trustee positions on the boards of the Basin Reserve Trust and Hutt Minoh House Friendship Trust are not remunerated.

### 3. Recommendations

It is recommended that the Council:

1. *Receive the information.*
2. *Agree that the second Council representative on the Board of the Basin Reserve Trust will be a Council officer, appointed by the Chief Executive under delegated authority.*
3. *Agree to appoint Councillors to vacancies on the Boards of the following Council Controlled Organisations:*

<b>Council Controlled Organisation</b>	<b>No. of vacancies</b>
<i>Basin Reserve Trust</i>	<i>1</i>
<i>Capacity Infrastructure Services Limited</i>	<i>1</i>
<i>Hutt Minoh House Friendship Trust</i>	<i>1</i>
<i>Positively Wellington Tourism (Partnership Wellington Trust)</i>	<i>1</i>
<i>Wellington Venues Ltd<sup>3</sup></i>	<i>1</i>
<i>Wellington International Airport Ltd<sup>4</sup></i>	<i>1</i>
<i>Wellington Museums Trust</i>	<i>1</i>
<i>Wellington Zoo Trust</i>	<i>1</i>
<i>Westpac Stadium (Wellington Regional Stadium Trust)</i>	<i>1</i>

4. *Agree that the term of appointment of the Councillor appointed to each of the above vacancies will commence immediately upon approval of this recommendation and will cease when the triennium is completed.*
5. *Note that each Councillor appointed to fill one of the above vacancies will be entitled to receive the fee approved by the Council (or in the case of Wellington International Airport Ltd where the fees are set by the shareholders) for payment to a member of the Board of the Organisation concerned.*

### 4. Background

#### 4.1 Appointments policy

Generally, the Council appoints one Councillor to the Board of each of its CCOs. This is either because the Trust Deed or Company Constitution makes specific provision for membership of their Boards to include a Councillor or because the

<sup>3</sup> A Councillor is not being appointed to St James Theatre Trust as that CCO is in the process of being disbanded and merged into the larger CCO, Wellington Venues Limited.

<sup>4</sup> Although not a CCO, Wellington International Airport Ltd is included because the Council has for the past two trienniums elected to appoint the Mayor to one of its two Board positions, which are remunerated.

Council has previously resolved that a Councillor will fill (one of) the position(s) allocated to it.

Exceptions and/or special cases are:

- Wellington Cable Car Ltd - the Council has previously elected not to appoint a Councillor to the Board.
- Wellington International Airport Ltd (which is not a CCO, by virtue of Council's less than 50% shareholding) - the Council has previously resolved that one of its two positions on the Board will be filled by the Mayor.
- The establishment of the Basin Reserve Trust created the opportunity for the Council to approve up to two additional Councillor appointments. Council decided in 2004 to appoint 1 Councillor and 1 officer appointed by the Chief Executive Officer under delegated authority, to promote Councillor-level involvement on what is a relatively small CCO, while recognising that officer experience and input is also desirable at Board level because of the operational nature of much of the Trust's intended work.

In 2004, Council also amended its appointments policy so that Councillors can be appointed to more than one Board.

#### **4.2 Other information**

Appointments are made at the beginning of each new triennium for the duration of the triennium. Nominations for Councillor appointments to CCOs are put forward by the Mayor at the first Council meeting of the new triennium for ratification.

With the exception of the positions on the Basin Reserve Trust and the Hutt Minoh House Friendship Trust, all of the positions referred to in this report are remunerated. It is Council policy that the level of fees payable to Council appointed members of CCO Boards are reviewed each triennium. A review has been undertaken, and recommended remuneration levels for the 2010 – 2013 triennium are outlined in the accompanying paper on director and external member remuneration.

#### **4.3 Level of Councillor representation on boards**

It is not recommended that the level of Councillor representation on any CCOs is changed, with the exception of Wellington Waterfront Limited. In that case, the Company has signalled that the continuing impacts of the property downturn following the global financial crisis has raised issues regarding the rate of future development under the Waterfront Framework. As a result, it is recommended that no council representative be appointed whilst the Council and the Company give consideration to reviewing the governance arrangements for the company.

## **5. Conclusion**

Following the recent election, the new Council is required to approve the appointment of Councillor representatives to the Boards of its CCOs. These appointments will commence immediately upon approval, will cease at the end of the triennium and will be remunerated at rates approved by the Council.

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## Supporting information

**(a) Strategic fit**

*The CCOs outlined in this paper contribute to the City over a broad range of the Council's strategic objectives.*

**(b) Annual Plan reference**

*Not applicable.*

**(c) Annual Plan and LTCCP implications**

*Not applicable.*

**(d) Treaty of Waitangi implications**

*There are none.*

**(e) Consultation**

*Consultation on Councillor appointments to CCO Boards was at the discretion of the Mayor.*

**(f) Legal implications**

*There are none.*