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**From:** Arlene Goss  
**Sent:** Wednesday, 21 September 2016 10:25 a.m.  
**To:** [REDACTED]  
**Subject:** Response to official information request

21-Sep-2016

Kylie Fowler  
[REDACTED]

Dear Ms Fowler,

**Official information request for CCO DIRECTOR APPOINTMENT POLICY**

I refer to your official information request dated 23-August-2016 for a copy of the appointment policy adopted in compliance with Section 57 of the LGA.

The information you have requested is attached.

If you wish to discuss this information with us, please feel free to contact me and I will direct you to the right staff member to answer your question.

Yours sincerely  
Arlene Goss

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**DUNEDIN CITY COUNCIL  
PROCEDURE FOR APPOINTMENT OF DIRECTORS  
(adopted by Council on 4 September 2000)**

**1 Introduction**

The Council wholly owns or has significant shareholdings in several trading enterprises. These operate at arm's length from the Council on a commercial basis with their operations overviewed by a Board of Directors. The relationship between the trading enterprise and the Council is a matter for the Board of Directors as a whole.

**2 Scope**

The purpose of this policy is to set out the policy for selection, appointment and review of directors appointed to the Boards of the Council-owned Local Authority Trading Enterprises and Energy Companies. This procedure is effective on the date approved by Council.

**3 Criteria for Selection of Directors**

3.1 The criteria set out in this paragraph shall apply to directors of all Council owned Local Authority Trading Enterprises and Energy Companies.

3.2 Directors should have the following generic attributes:

- Strong thinking abilities, including the capacity to think strategically.
- Articulate, able to convey thoughts in a concise and clear manner.
- Have courage to be counted on important matters and force debate.
- Have a clear commitment to the responsibilities of a director.
- Relevant experience and/or the ability to gain an in-depth familiarity with the company and its business area.
- Ability to objectively take into account all points of view in making decisions.
- Respect for colleagues, and staff.
- Unimpeachable business ethics.
- Proven commercial experience or commercial potential.
- Positive attitude to public ownership and the principles of good corporate citizenship.
- Ability to understand financial issues.
- Sympathetic to the needs of Dunedin and surrounding areas.
- Attributes specifically applicable to a major corporate

**4 Establishment of Director Pool**

4.1 A pool of potential directors will be established and maintained.

4.2 This pool will be derived by:

- Advertising publicly for expressions of interest.
- Requesting suggestions from appropriate groups.
- Recording the names of suitable persons known to the Board of DCHL, Elected members and their contacts.

- 4.3 Directors selected for the pool will be requested to provide details of their curriculum vitae together with a statement recording:
- The reasons why they consider they could be appropriate for appointment.
  - Their attitude to local authority ownership of trading enterprises.
  - Their particular area of interest in respect of the Council's Trading Enterprises.
  - Any conflicts of interest with particular Trading Enterprises.
- 4.4 The Board of Dunedin City Holdings Ltd will be responsible for regularly reviewing the list of potential directors and deleting any which for any reason are known to be inappropriate.
- 4.5 The list and its details will be confidential to the Board of DCHL.

## **5 Process for Appointment of Directors of DCHL**

- 5.1 An advisory panel shall be formed comprising two DCHL directors and a Council appointed person or persons.
- 5.2 The advisory panel will review the pool of potential directors and prepare a shortlist. After interviewing candidates and reference checking as necessary, the advisory panel will recommend the required number of Directors in a report to Council.
- 5.3 Council will then approve and appoint Directors of DCHL as required under DCHL's constitution. At Council's discretion, the Directors themselves may elect the Chairperson and Deputy Chairperson.

## **6 Process for Appointment of Directors of Subsidiaries of DCHL**

- 6.1 At its option DCHL may convene the advisory panel as defined in clause 5.1 and follow the procedure set out in clause 5.2. Otherwise, the procedures set out in the remainder of clause 6 will apply.
- 6.2 When a vacancy for a director of a Subsidiary of DCHL arises, the Board of DCHL will be responsible for making a recommendation to the Council in accordance with the process set out in the remainder of this clause and the provisions of their constitutions.
- 6.3 A shortlist shall be prepared from the directors pool.
- 6.4 In selection of a new director, consideration shall be given to ensuring that there is an appropriate mix of skills and experiences on the Board. Consideration will be given to complementing and reinforcing existing skills and reducing known weaknesses where necessary.
- 6.5 The shortlisted candidates shall be interviewed by representatives of the Board of DCHL who will check curriculum vitae and referees and ensure the shortlisted candidates meet the Council's criteria. They will report their recommendations to the Council.
- 6.6 Where appropriate the DCHL Board shall co-operate with minority shareholders in the selection process.

## **7 Remuneration of Directors**

- 7.1 Directors shall receive fees in accordance with the scales approved from time to time by Dunedin City Council.

## **8 Reappointment of Directors**

- 8.1 Where a director's term of appointment has expired and they are offering themselves for reappointment, the process outlined in this section will apply, subject to the provisions of the constitutions of the companies.
- 8.2 A representative of the DCHL Board will make confidential enquiries from the Chairperson and other members. These enquiries will seek to ascertain:
- Whether the skills of the incumbent add value to the work of the Board.
  - Whether there are other skills which the Board needs.
  - The maturity of the Board. There may be circumstances where many of the Board are new and further change would seriously weaken the Board.
- 8.3 The Board of DCHL will consider the information obtained and form a view on the appropriateness of reappointment or making a replacement appointment.
- 8.4 Where it is the opinion of the DCHL Board that reappointment is appropriate then the DCHL Board be authorised to recommend reappointment to the Council.
- 8.5 Where it is not intended to reappoint the incumbent, the process outlined in Section 5 of this policy shall be followed.

## **9 Appointment of Elected members as Directors**

- 9.1 Where the Council wishes to appoint or reappoint a Director who is also an elected member or staff member, this will be handled according to this policy.