



NOTICE OF MEETING

**Notice is hereby given of the Meeting of the
Invercargill City Council
to be held in the Council Chamber,
First Floor, Civic Administration Building,
101 Esk Street, Invercargill on
Tuesday 18 September 2018 at 5.00 pm**

His Worship the Mayor Mr T R Shadbolt JP
Cr R R Amundsen (Deputy Mayor)
Cr R L Abbott
Cr A J Arnold
Cr K F Arnold
Cr T M Biddle
Cr A H Crackett
Cr I L Esler
Cr G D Lewis
Cr D J Ludlow
Cr I R Pottinger
Cr L F Soper
Cr L S Thomas

CLARE HADLEY
CHIEF EXECUTIVE

Council's Values:

Responsibility	<p>Take ownership of decisions and outcomes, both collectively and individually.</p> <ul style="list-style-type: none">• We willingly share our knowledge.• We acknowledge our mistakes, work to resolve them and learn from them.• We give and receive feedback in a constructive manner to resolve issues.• We do our job with total commitment.
Respect	<p>Everyone is important, as are their views.</p> <ul style="list-style-type: none">• We support and care for each other.• We stop to listen, learn and understand.• We communicate in an honest, up-front and considerate manner.• We maintain confidences and avoid hurtful gossip.
Positivity	<p>Always look on the bright side of life.</p> <ul style="list-style-type: none">• We are approachable, interested and friendly.• We are open and receptive to change.• We acknowledge and praise the efforts of others.• We work together as a team to get the job done.
Above and Beyond	<p>Take opportunities to go the extra mile.</p> <ul style="list-style-type: none">• We take the initiative to improve our work practices to get the best results.• We challenge ourselves and each other to make it better.• We take pride in providing the best possible outcomes.• We are ambassadors for our Council at all times.

Council's Vision for the City:

Enhance our City and preserve its character, while embracing innovation and change.

Council's Vision:

We are an energised, fun and innovative team that makes it better for each other and our community.

Council's Mission:

Making it better by making it happen.

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9. PUBLIC EXCLUDED SESSION	

Moved, seconded that the public be excluded from the following parts of the proceedings of this meeting; namely

- (a) *Confirmation of Minutes of the Public Excluded Session Meeting of Council held on 28 August 2018*
- (b) *HWCP Management Limited – Funding*

The general subject 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(1)(d) 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(1) for the passing of this resolution
(a) Minutes of Meeting – Council 28 August 2018	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 7(2)(i)
(b) HWCP Management Limited – Funding	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 7(2)(i)

**INVERCARGIL CITY COUNCIL ELECTED MEMBERS
INTEREST REGISTER**

ELECTED MEMBERS			
NAME	ENTITY	INTERESTS	PROPERTY
RONALD LINDSAY ABBOTT	Invercargill City Council Kiwi-Pie Radio 88FM Invercargill Invercargill Art Gallery Invercargill Venues and Events Management	Councillor Director / Broadcaster Council Representative / Board Member Director	
REBECCA RAE AMUNDSEN	Invercargill City Council Arch Draught Ltd BP Orr Ltd Task Ltd Arts Murihiku Dan Davin Literary Foundation Heritage South Glengarry Community Action Group SMAG Board Venture Southland Southland Regional Heritage Committee	Councillor Director Director Director Trustee Trustee/Chair Contractor Events Co-ordinator (Volunteer) Council Representative Council Representative Council Representative	

INVERCARGILL CITY COUNCIL ELECTED MEMBERS INTEREST REGISTER
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ALLAN JAMES ARNOLD	Invercargill City Council	Councillor	
KAREN FRANCES ARNOLD	Invercargill City Council Electricity Invercargill Ltd Powernet Ltd Pylon Ltd Invercargill Creative Communities Funding Scheme Southland Warm Homes Trust	Councillor Director Director Director Trustee/Chair Trustee	
TONI MARIE BIDDLE	Invercargill City Council Invercargill Venue and Events Management Limited Southland Museum and Art Gallery Trust Board McIntyre and Dick	Councillor Director Trustee Partner – Executive Team	
ALEX HOLLY CRACKETT	Invercargill City Council Ride Southland Southland Youth Futures Advisory Board Venture Southland and Sub Committee	Councillor Chair Chair Council Representative	High Street Invercargill

INVERCARGILL CITY COUNCIL ELECTED MEMBERS INTEREST REGISTER
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IRWIN LLOYD ESLER	Invercargill City Council	Councillor	
GRAHAM DAVID LEWIS	Invercargill City Council Invercargill City Holdings Limited	Councillor Director	
DARREN JAMES LUDLOW	Invercargill City Council Radio Southland Invercargill City Holdings Limited Invercargill Venue and Events Management Southland Museum and Art Gallery Trust Board Healthy Families Invercargill Murihiku Maori Wardens Southland Community Law Centre	Councillor Manager Director Director / Chairman Trustee Board Member Board Member Board Member	770 Queens Drive Invercargill
IAN REAY POTTINGER	Invercargill City Council Southland Electronics Limited Santa Parade Organiser	Councillor Director Alice Pottinger (Wife)	171 Terrace Street Invercargill 9810
TIMOTHY RICHARD SHADBOLT	Invercargill City Council Invercargill Airport Limited Kiwi Speakers Limited Sit Ambassador	Mayor Director Director Contractor	

INVERCARGILL CITY COUNCIL ELECTED MEMBERS INTEREST REGISTER
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LESLEY FRANCES SOPER	Invercargill City Council Breathing Space Southland Trust (Emergency Housing) Omaui Tracks Trust National Council of Women (NCW) Active Communities Invercargill Public Art Gallery Citizens Advice Bureau Southland ACC Advocacy Trust	Councillor Chair Secretary/Treasurer Member Chair/Trustee Board Member Board Member Employee	137 Morton Street Strathern Invercargill 24 Margaret Street Richmond Invercargill
LINDSAY STEWART THOMAS	Invercargill City Council Invercargill City Holdings Limited Invercargill City Property Limited HWCP Management Limited	Councillor Director Director Director	

EXECUTIVE STAFF			
NAME	ENTITY	INTERESTS	PROPERTY
PAMELA GARE	Invercargill City Council	Director of Environmental and Planning Services	
CLARE HADLEY	Invercargill City Council	Chief Executive	

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS
INTEREST REGISTER**

EXECUTIVE STAFF			
NAME	ENTITY	INTERESTS	PROPERTY
CAMERON MCINTOSH	Invercargill City Council	Director of Works and Services	
RACHEL REECE	Invercargill City Council Reece Property Limited	HR Manager Sole Director	

MINUTES OF THE MEETING OF THE INVERCARGILL CITY COUNCIL HELD IN THE COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING, 101 ESK STREET, INVERCARGILL, ON TUESDAY 28 AUGUST 2018 AT 4.00 PM

PRESENT: His Worship the Mayor Mr T R Shadbolt
Cr R R Amundsen – Deputy Mayor
Cr R L Abbott
Cr A J Arnold
Cr K F Arnold
Cr T M Biddle
Cr I L Esler
Cr G D Lewis
Cr D J Ludlow
Cr I R Pottinger
Cr L F Soper
Cr L S Thomas

IN ATTENDANCE: Mrs G Henderson – Bluff Community Board Member
Mrs C Hadley – Chief Executive
Mr C A McIntosh – Director of Works and Services
Mrs P M Gare – Director of Environmental and Planning Services
Mr D J Johnston – Director of Finance and Corporate Services
Mr D Booth – Manager Financial Services
Mr R Pearson – Roading Manager
Mr R Pagan – Parks Manager
Mr A Murray – Water Manager
Mr P Thompson – Pools Manager
Ms M Napper – Community Development Manager
Mr A Cameron – Policy Analyst
Mr P Horner – Building Assets Manager
Mr R Keen – 3 Waters Manager
Ms H McLeod – Communications Advisor
Ms L McCoy - Building Assets Administration
Mr B Monaghan - Manager - Building Services
Mr M Morris – Legal Advisor
Mr P Casson – Chief Executive Officer – Venture Southland
Ms L Kuresa – Governance Officer

1. **APOLOGIES**

Cr Crackett and Councillors Biddle, Ludlow, Abbott and Lewis put in an apology for an early exit from the meeting.

Moved Cr Soper, seconded Cr Biddle and **RESOLVED** that the apologies be accepted.

2. **NOTICE OF A LATE ITEM**

Moved Cr Amundsen, seconded Cr Ludlow and **RESOLVED** that the late tabled Item with regard to the Waste Advisory Group Committee Update, be taken under Public Excluded Session.

3. **PUBLIC FORUM**

Nil.

4. **INTEREST REGISTER**

There were no changes to the Interest Register.

5. **INVERCARGILL YOUTH COUNCIL**

5.1 **20 Years of a Youth Council**

5.2 **Council Agendas**

Youth Group representatives were in attendance to speak to their report. They showed a short video of the factors that led to the formation of the Youth Council in 1998.

In response to a question by Cr Biddle, as to whether the Youth Council had a preference about the dogs being in the city centre, Mr Ward said that most young people had a preference for dogs to be in the city centre.

Cr Soper said that in the absence of Cr Crackett, she wanted to thank the Youth Council for their 20 years of hard work. They were working as hard today as ever in the 20 year span. Council had enjoyed a good relationship with the Youth Council and it had been a valuable addition to the City for the last 20 years. She was happy that the Youth Council had held that record for as long as it had.

Moved Cr K Arnold, seconded Cr Soper and **RESOLVED** that the report be received.

6. **MINUTES OF THE MEETING OF COUNCIL HELD ON 24 JULY 2018**

Moved Cr Soper, seconded Cr Ludlow and **RESOLVED** that the minutes be approved.

7. **MINUTES OF THE EXTRAORDINARY MEETING OF COUNCIL HELD ON 13 AUGUST 2018**

Moved Cr Amundsen, seconded Cr Ludlow and **RESOLVED** that the minutes be approved.

8. **MINUTES OF THE MEETING OF THE BLUFF COMMUNITY BOARD HELD ON 6 AUGUST 2018**

Moved Cr Esler, seconded Cr Soper and **RESOLVED** that the minutes be received.

Mrs Hadley pointed out that the minutes of other Committees such as Bluff Community Board and the Council Standing Committees should only be received at the Council table. The Committee itself needed to resolve that they were a true and correct record.

9. **MINUTES OF COMMITTEES**

9.1 **Community Services Committee 13 August 2018**

Moved Cr Abbott, seconded Cr Lewis and **RESOLVED** that the minutes be received.

9.2 **Regulatory Services Committee 14 August 2018**

Moved Cr Amundsen, seconded Cr Biddle and **RESOLVED** that the minutes be received.

Health and Hygiene Bylaw

Moved Cr Amundsen, seconded Cr Biddle and **RESOLVED** that the Health and Hygiene Bylaw be received;

AND THAT

The draft Health and Hygiene Bylaw, Appendix B, be approved for a period of two years;

AND THAT

The draft be provided to the Medical Officer of Health for submission to the Director-General;

AND THAT

Following review by the Director-General, the final Health and Hygiene Bylaw be returned to the Regulatory Services Committee.

Keeping of Animals Bylaw

Moved Cr Amundsen, seconded Cr Ludlow and **RESOLVED** that the Amended Keeping of Animals Bylaw be adopted for public consultation with the amendments to be made as discussed.

Dog Control Annual report 2017/2018

Moved Cr Amundsen, seconded Cr Soper and **RESOLVED** that the 2017/18 Dog Control Annual Report be adopted by Council.

Implementation of the Recommendations of the Independent Community Panel on Re-Homing and Euthanasia of Impounded Dogs

Moved Cr Amundsen, seconded Cr Soper that:

1. The report be received;
2. Council authorises the development of a Memorandum of Understanding with dog re-homing organisations.

3. Council authorises the use of Animal Control reserves and unspent expenditure to develop an outdoor exercise area for dogs at the Animal Care Facility. (At 30 June 2017 the Dog Control reserve balance was \$204,000, with an additional \$50,247 of unspent expenditure in the maintenance budget).
4. Council authorises staff to invite members of the community who would be interested in fostering or re-homing a dog to come forward.
5. Council authorises the tender process for a veterinarian to provide IV injection for euthanasia of dogs at the Animal Care Facility.
6. Council authorises the veterinarian undertaking the euthanasia to use the captive bolt if, in their professional opinion, this is the safest for people and the least distressing for the dog.
7. Council, when developing its 2019/20 Annual Plan, reviews the costs associated with euthanasia and determines whether these be funded from dog registration fees or from rates.
8. Council authorises staff to enter into an agreement with SIT to supply dogs from the Animal Care Facility that have been unclaimed and recommended for euthanasia on the proviso that SIT:
 - o Collect the dog(s) from the Animal Care Facility, and
 - o Would undertake euthanasia by lethal injection, and
 - o Dispose of the cadavers by cremation, and
 - o A maximum of five dogs will be provided per calendar year.

Cr Biddle said she did not agree to Section 6 of this recommendation. In so many cases in other places dogs that had been deemed dangerous had been put to sleep by the use of adding sedatives to foods. They did that with horses and a lot of the other animals, so she did not see why a dog should be any different. She expressed her concerns about any dog being euthanised by a captive bolt. This Council should not have it as an option at all. This was her personal opinion based on a strong public outcry for the captive bolt not to be used. She commended staff for letting the veterinarian undertake this particular way of euthanasia, but it was not the right way of doing it, as it was not humane.

Cr Lewis said that Council had gone to great lengths to ensure that an Independent Community Panel was set up to look into this matter and this was the outcome, so it was not a Council decision. He wondered if the recommendations could be changed as they were put forward by the Independent Panel.

Cr Amundsen said that the Independent Panel was made up of six people from the community. There was a veterinarian, several people who worked with dogs, people who were passionate about dogs and someone who was a dog owner but was not overly passionate about dogs either way. The recommendations came directly from the Panel and just because they made those recommendations, it did not mean that Council had to abide by them. That decision still lay with Council to make, but it was important to note that the Panel carried out a lot of research and work and they went above and beyond what was expected of them in terms of doing that work.

Cr Biddle said she was aware that the recommendations came from the Independent Panel and she was happy with all the recommendation except for the section that states that the captive bolt be used to euthanise dogs. She felt strongly that the captive bolt was unnecessary when there were other alternatives available.

The motion, now being put was **RESOLVED** in the **affirmative**.

Note: Cr Biddle voted against the motion.

Plan change – Animal Boarding Activity

Moved Cr Amundsen, seconded Cr Ludlow that Council approves the development and notification of a change to the Invercargill City Proposed District Plan 2016 in respect of animal boarding activities so they are not a permitted activity in the Rural Zone.

Cr Pottinger asked why there was no discussion to show why the recommendation was agreed to like the other items in the minutes. Cr Amundsen confirmed that there was no discussion on this Item.

The motion, now being put, was **RESOLVED** in the **affirmative**.

Heritage Strategy

Moved Cr Amundsen, seconded Cr Ludlow and **RESOLVED** that:

1. The report be received;
2. A City Centre Heritage Steering Group be established to consider the draft City Centre Heritage Strategy;
3. The City Centre Heritage Steering Group review the draft City Centre Heritage Strategy and recommend its adoption to Council;
4. The City Centre heritage Steering Group assists in the implementation of the actions within the Strategy.

9.3 Infrastructure and Services Committee 20 August 2018

Moved Cr Thomas, seconded Cr Pottinger that the minutes be received.

In response to a question by Cr Biddle as to whether Council was accepting the minutes and the recommendations individually, Mrs Hadley explained that there were a number of recommendations that related to bylaws in the Regulatory Services Committee Minutes. Because they related to bylaws, it was advisable to review all of the recommendations individually. As for the recommendations in the Infrastructure and Services Committee, one was about seeking the approval of a Ministry of Conservation to a change in a reserve status and one was about noting an NZTA consideration. There was not the same issue about Council needing to have had its focus over those recommendations. That was the reason for the difference.

The motion, now being put, was **RESOLVED** in the **affirmative**.

9.4 Finance and Policy Committee 21 August 2018

Moved Cr Ludlow, seconded Cr Thomas and **RESOLVED** that the minutes be received.

10. **END OF YEAR FINANCIAL RESULTS, RESERVE/DEBT MOVEMENT AND CARRY FORWARDS TO 30 JUNE 2018**

The report had been circulated.

Moved Cr Ludlow, seconded Cr Amundsen that the report be received;

AND THAT

Council transfer a net \$1,980,359 to reserves from unspent funds,

AND THAT

Council use \$346,196 to reduce debt from unspent funds,

AND THAT

Council carry forward \$9,986,730 of committed work from the 2017/18 financial year into the 2018/19 financial year, of which \$4,143,855 is rates funded,

AND THAT

Council carry forward \$19,314,644 of non-committed work from the 2017/18 financial year into the 2018/19 financial year, of which \$2,230,787 is rates funded,

AND THAT

Council transfers \$284,921 to the general reserve from the remaining 2017/18 rates surplus.

Mr Booth took the meeting through the report.

In response to questions, the following answers were given:

- The report reflects \$9.986 million of commitments. Audit has drawn to Council's attention that it hasn't always correctly accounted for these. Commitments are work that is underway and not completed as at 30 June 2018. It's \$20 million of carried forwards and not \$30 million.
- Council has had a good year in terms of most of the infrastructural projects. There are some projects that were delayed in starting because Council undertook further consultations. While those projects were on the timetable, they were running late in starting but they were underway. Some projects such as the stop bank at Stead Street, there was the need to ensure that the money is spent once rather than putting it in the budget for next year.
- The ability for the contracting market to deliver is dependent on whether Council was talking about horizontal infrastructure or talking about building infrastructure that has some speculation about the upcoming workloads. Some of the money that's sitting there as carry forwards are projects that Council had asked to delay until there was more clarity on them.

- The movement to reserve does affect the money available for future years.
- Mr Booth has prepared this report in accordance with the practice that has taken place at this Council for a number of years. The decision is for Council to make.
Council could spend some time debating now whether Council wanted it to go into reserves or to repay debt. In considering the report, the best thing to do is to follow the practise of previous years and with more time to review it.

Note: This matter be added to the Action Sheet.

The motion, now being put, was **RESOLVED** in the **affirmative**.

11. **ARTS CREATIVITY FOR INVERCARGILL (ACI) DIRECTOR RECRUITMENT**

Moved Cr Amundsen, seconded Cr K Arnold and **RESOLVED** that Council notes the intention to proceed with the recruitment process for the position of Director - ACI;

AND THAT

A workshop will be held with Councillors before recruitment commences.

12. **WELCOMING COMMUNITIES – TE WAHAROA KI NGĀ HAPORI**

The report had been circulated and Cr Amundsen took the meeting through it.

Moved Cr Amundsen, seconded Cr Soper and **RESOLVED** that the report be received.

12. **DOG CONTROL ADDITIONAL REPORT**

The report had been circulated and an updated version of the Dog Control Bylaw was tabled.

Moved Cr Amundsen, seconded Cr Soper that the further report on Dog Control be received;

AND THAT

The recommendations set out in Appendix 1 of the report be adopted by Council.

Mr Cameron took the meeting through the tabled report.

In response to questions, the following answers were given:

- The procedure for both dangerous and menacing dogs is at the time of classification, there will be an inspection. The timetabling of further classification depends on the first inspection. If the first inspection is clear and it's obvious that the dog is doing everything that is appropriate, maybe the next inspection is carried out in two years. If there are issues or concerns identified by the inspector, then the inspection may be carried out in three months.

- The intention is to inspect these properties every year.
- There is a compromise, but not through changing the fee. The fee has been set, consulted on in the Long-term Planning process. The appropriate course is to give direction to staff to refund part of the fee or not charge part of the fee.
- The recommendations on the table include all the proposals, including all of the proposals around menacing dogs and the \$150.00 that has been consulted on.
- Cr Biddle is referring to the responsible owner of a menacing dog. That is in effect the carrot because if you have a menacing dog and you do everything appropriate to be a responsible owner, this Policy proposes a discount. The inspections then decrease and that is part of what occurs for a responsible owner. The flip side is where the owner is not able or chooses not to take those steps and the property will need more oversight.

Cr Soper wondered if she was able to put forward a motion that staff be given the discretion to refund if the annual inspection did not take place and Mrs Hadley confirmed that could be done.

Cr Ludlow said he was comfortable with the position of having the menacing fee at \$100.00 reduced for responsible owners of menacing dogs but with less visitations required. There were still parts of the Bylaw and Policy that he would like more discussion on, around access to the CBD. There were still concerns in the CBD now, despite the fact that there was a ban. He had seen both ends of the spectrum and he was still not comfortable with having dogs openly in the CBD. It was not so much about bringing the dog into the CBD and walking them and exercising them but the problem was that when people come into the CBD, they would be going into a business at some stage, so what happens to the dog. It was those owners who brought their dogs into the CBD and tied them up to a parking meter that he had concerns about. Some of the animals were well behaved but some were distressed because they were separated from their owner and it was hard for people who had issues with dogs.

Cr Abbott said he had seen a dog on a lead tied to a parking meter or some device and a toddler advancing to the dogs, so the dog launched forward but luckily enough the lead was not long enough. He was also concerned about the fouling, which will inevitably happen in the CBD, so he was not happy with having dogs in the CBD.

Cr Soper said that she supported the recommendations on the basis that Council should overturn the current Bylaw and Policy and allow dogs back in the CBD. That was debated considerably at the Committee Meeting and there had been a fair amount of discussion tonight and the test was that the recommendations be put.

The motion was put, and a show of hands was carried out. Eight Councillors voted for the recommendations.

The motion, was **RESOLVED** in the **affirmative**.

Note: Councillors Biddle and Abbott voted against the recommendations.

Moved Cr Soper, seconded Cr Amundsen that staff be given the authority to refund part of the fee if inspections was not carried out annually.

In response to a question by Cr Pottinger as to whether Council was checking that menacing dogs were wearing muzzles in public places, Mrs Gare said that Council relied on owners to self-police and follow the rules. Council staff did not regularly stop dogs and check if they were menacing or not. That could be done if Council wanted staff to.

Cr Pottinger said that question would go back to the Regulatory Services Committee to look into if it was a significant enough problem.

Cr Lewis suggested that an easy way of checking if a dog was dangerous, menacing or standard would be to colour code their collars. That would be easy for everyone to identify what category the dogs were in.

In response to a question by Cr Biddle, Mr Cameron said that the difficulty was that the fees had been consulted on and agreed. Changes could be built into the fee structure for next year but it could not be changed at the moment as there would be an additional process to do so.

Cr Esler said that the ratepayer subsidises the dog monitoring in the City. The dogs that would be causing the greater share of that, whether they were menacing or dangerous, those owners should be paying the proportion of the fees. It was either the owner paid it or the ratepayer paid it.

Cr Pottinger said that the ratepayer paid about 10% and the biggest problem was wandering dogs. Council was working on recovery of staff time, so the public benefit from paying that amount was to keep dogs in tow but one of the biggest problems was wandering dogs.

Cr Ludlow said he was happy for part of his rates payment to go towards animal control. Part of that was an expectation that on his behalf Animal Control Officers were out patrolling to ensure wandering dogs were at a minimum. That 10% also recognised that not everything that Officers were dealing with was a dog issue. It would be unfair to level the cost of that against dog owners. There were other animal issues that the Animal Control Officers were required to go out and deal with and that formed part of that 10%.

The motion, now being put, was **RESOLVED** in the **affirmative**.

13. **DELEGATIONS TO INDEPENDENT COMMISSIONER/S (HEARING PANEL)
RESOURCE CONSENT HEARING**

Moved Cr Ludlow, seconded Cr K Arnold and **RESOLVED** that Council delegate all powers that are necessary to the Panel of Independent Commissioner/s from the Resource Management Act 1991 as follows:

- Section 34A - The Power to Hear and Determine the Application Delegated to Commissioner/s.
- Section 41 - Provisions Relating to Hearings.
- Section 41A - Control of Hearings.
- Section 41B - Directions to Provide Evidence.
- Section 41C - Directions / Requests before Hearing.
- Section 41D - Strike Out of Submissions; and
- Section 42 - Protection of Sensitive Information.

14. **ICHL STATEMENT OF INTENT**

The report had been circulated and Mr Johnston took the meeting through it.

In response to questions, the following answers were given:

- ICHL will provide a schedule next year that sets out the changes from the previous Statement of Intent to make it easier for Council.
- In ICHL's view it was not a significant change in this year's Statement of Intent as it reflected the policies that are in place, but it will be a practice going forward from next year.
- ICHL is a Treasury Company that provides loan funding to all its subsidiaries. In the last 12 months an audit recommendation has now put in place formal loan and funding agreements between ICHL and all its subsidiaries. The same agreement now exists for all subsidiaries that set out how the finance is to be done, the cost and the report that is required back from the subsidiaries. It makes it more consistent across the board to monitor and measure the companies with all the tracking being the same.
- On a limited liability company or where you have a board of directors it is not appropriate as director to give company information to Council. It has to go through a formal process. It would be inappropriate for a Council Director to discuss company issues informally or out of turn.

Moved Cr Amundsen, seconded Cr Soper and **RESOLVED** that the report be received.

15. **SOUTHLAND REGIONAL DEVELOPMENT AGENCY – PROGRESS REPORT**

Moved Cr Soper, seconded Cr Thomas and **RESOLVED** that Council appoints Cr Amundsen as the Council representative on the Joint Shareholder Committee.

Moved Cr Soper, seconded Cr Amundsen and **RESOLVED** that Council:

Notes that the Shareholders Agreement will soon be coming for consideration and ratification;

AND THAT

Note that the process for the appointment of the new Board will commence in about three weeks (but will not be in advance of the Shareholders' Agreement);

AND THAT

Note that discussions are commencing with each shareholder on the outcomes and services that the new SRDA will be asked to deliver.

16. **APPOINTMENT AND REMUNERATION OF DIRECTORS POLICY**

Moved His Worship the Mayor, seconded Cr Soper that Council adopt the Appointment and Remuneration of Directors Policy that provides for further strengthening of the Council's control of all Council Controlled Organisations as attached in Appendix 1;

AND THAT

That Council adopts the amended Appointment Committee clause for inclusion in the Governance Statement that outlines the role of the Directors Appointments Committee.

In response to questions, the following answers were given:

- The question about the shareholder appointing directors is all around how the shareholder reached that decision. It can either be done through negotiations or historically, through Invercargill City Council, the Constitution was amended so that recommendation had to come via Council. It can be forced or agreed to but the ultimate final step is that the shareholder approves the directors. The question is, how much input do they have into that decision before they approve them or how much input this Council wants to have in that decision before it's approved. That's for ICHL and its subsidiaries as well.
- It's the same process that Dunedin, Auckland and Christchurch have and it depends if they write it into the Holdings Companies Constitution or it's done through the Policy.
- It is not possible to have a debate on Councillor Directors today as it is not in accordance with Standing Orders; there has been no notice given of whether Council should have Councillors as directors of the Holding Company, as a possible point of discussion today. Given that Council discussed the matter within the last 12 months, you will need to give a notice of motion or a request for a report from the Chief Executive on what may have changed. That matter is out of scope for discussion today.
- The Appointment Committee on behalf of Council will interview and make recommendations based on their knowledge. Council relied on their knowledge, skills and expertise to select who they think would be the appropriate appointments and then they make recommendations to Council. Council then chooses to accept those recommendations or not.
- ICHL is the only Board that must have three Councillors on it as Directors and from next year individual Councillors with the capacity to apply for directors appointments, can do so.
- The Appointments Committee will bring their recommendations to Council. Council will not see the total list of all applicants. Council will see the Committee's preferred shortlist and recommendations from there.

The motion, now being put, was **RESOLVED** in the **affirmative**.

17. **MAYOR'S REPORT**

The report was tabled.

Moved His Worship the Mayor, seconded Cr Abbott that the report be received.

In response to a question by Cr Thomas as to whether the meeting with the Chief Executive of Te Araroa Trust and the Chair of Prime Range Meats was a meeting to seek funding or was it an information meeting, His Worship the Mayor said it was an informal meeting. Councillors who had travelled overseas were aware that a mayor, especially in Asian countries, was considered a very powerful person who was in charge of their city. It added a lot of respect and importance to a meeting and not anything that Council would consider as substantial.

The motion, now being put, was **RESOLVED** in the **affirmative**.

18. **URGENT BUSINESS**

Moved Cr Ludlow, seconded Cr Amundsen and **RESOLVED** that the report by Cr Crackett be received, and referred to the group working on housing issues.

19. **COUNCIL IN PUBLIC EXCLUDED SESSION**

Moved His Worship the Mayor, seconded Cr Amundsen and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, namely:

- (a) *ICHL Update by the Chairman, Mr Cam McCulloch*
- (b) *Confirming of Minutes of the Public Excluded Session of Council 24 July 2018.*
- (c) *Confirmation of Extraordinary Minutes of the Public Excluded Session of Council 13 August 2018.*
- (d) *Confirming of Minutes of the Public Excluded Session of the Regulatory Services Committee 14 August 2018.*
- (e) *Confirming of Minutes of the Public Excluded Session of the Infrastructure and Services Committee 20 August 2018.*
- (f) *Splash Palace Hydroslide Procurement.*
- (g) *Ouvea Removal and Processing.*
- (h) *Council Appointment Committee.*
- (i) *Waste Advisory Group Update.*
- (j) *Chief Executive Update – Awarua Industrial Estate and HWCP Ltd.*

The general subject 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(1)(d) 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(1) for the passing of this resolution
(a) ICHL Update	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 7(2)(i)
(b) Confirming of Minutes – Council 24 July 2018	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 7(2)(i)

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
(c) Confirming of Extraordinary Council Minutes 13 August 2018	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 7(2)(i)
(d) Confirming of Minutes – Regulatory Service Committee 14 August 2018	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 7(2)(i)
(e) Confirming of Minutes – Infrastructure and Services Committee 20 August 2018	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 7(2)(i)
(f) Splash Palace Hydroslide Procurement	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 7(2)(i)
(g) Ouvea Removal and Processing	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 7(2)(i)
(h) Council Appointment Committee	Protect the privacy of natural persons, including that of deceased natural persons	Section 7(2)(a)

- | | | | |
|-----|--|---|------------------------|
| (l) | Waste
Advisory Group
Update | Enable any local
authority holding the
information to carry on,
without prejudice or
disadvantage,
negotiations (including
commercial and
industrial negotiations) | Section 7(2)(i) |
| | | | |
| (j) | Chief
Executive
Update –
Awarua
Industrial
Estate and
HWCP Ltd | Enable any local
authority holding the
information to carry on,
without prejudice or
disadvantage,
negotiations (including
commercial and
industrial negotiations) | Section 7(2)(i) |

There being no further business, the meeting finished at 7.30 pm.

TO: COUNCIL
FROM: MELISSA BROOK – MANAGER, STRATEGY AND POLICY
MEETING DATE: TUESDAY, 18 SEPTEMBER 2018

VARIATION OF THE 2016 – 2019 TRIENNIAL AGREEMENT

SUMMARY

The adoption of a Triennial Agreement is a mandatory requirement under the Local Government Act 2002 for all the local authorities within a region. The Councils, by agreement, wish to make minor variations to the current Triennial Agreement. The proposed variations to the Triennial Agreement, as presented, meet the requirements of the Local Government Act 2002. The varied 2016-2019 Triennial Agreement can now be adopted by the Council.

RECOMMENDATIONS

That the report ‘Variation of the 2016 -2019 Triennial Agreement’ be received; and

That pursuant to section 15(4) of the Local Government Act 2002, the Council agree to the proposed variations to add Deputy Mayors/Deputy Chair into the 2016-2019 Triennial Agreement; and

That Council adopt the varied 2016-2019 Triennial Agreement and apply the Common Seal.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> Not applicable.
2.	<i>Is a budget amendment required?</i> No
3.	<i>Is this matter significant in terms of Council’s Policy on Significance and Engagement?</i> No
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> The need for a Triennial Agreement is a statutory requirement. There are no implications for any of the Council’s other statutory documents.
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> The proposed variations were prepared and agreed by the Mayors and Chief Executives of the four Southland local authorities.
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> Not applicable

FINANCIAL IMPLICATIONS

No direct financial implications arise from this report, but it should be noted that the reasons behind having a Triennial Agreement are to create efficiency in service delivery and to ensure that local authorities consider joint and shared arrangements. It also provides the basis for co-ordination of effort and common interest. There may be some financial implications from those interactions, such as those experienced by the Mayoral Forum work on the Southland Regional Development Strategy (SoRDS) and other region-wide projects of mutual interest.

LEGISLATIVE REQUIREMENTS

Section 15 of the Local Government Act provides that by the 1st March following each triennial general election all local authorities within a region must enter into an agreement that provides for:

- Protocols for communication and coordination between the authorities
- Processes for proposals relating to new regional council activities
- Processes and protocols through which all local authorities can participate in identifying, delivering and funding facilities and services of significance to more than one district.

Section 15(4) of the Act provides that “*an agreement under this section may be varied by agreement between all the local authorities within the region.*”

BACKGROUND

The current Triennial Agreement was adopted by Council on 7 March 2017. When the current Triennial Agreement was adopted by the four Councils, a new section relating to the Mayoral Forum and its operating protocol was added which provides a wider mandate for the operation of the Forum. Otherwise, the Agreement remained as per previous versions.

PROPOSED VARIATIONS

The proposed variations seek to add the roles of Deputy Mayors/Deputy Chair to the description of the Mayoral Forum so that it would read as follows (new wording underlined):

“The Mayoral Forum is a non-statutory body made up of the Mayors, regional Chair, Deputy Mayors/Chair, and their Chief Executives”

Those roles will also be added as signatories to the Agreement. The varied 2016-2019 Triennial Agreement is attached (**Appendix 1**) with the proposed variations highlighted in yellow.

The proposed variations were prepared and agreed by the Mayors and Chief Executives of the four Southland local authorities.

CONCLUSION

The varied 2016-2019 Triennial Agreement is presented for adoption by the Council.

Triennial Agreement Southland Region

For the triennium October 2016 to October 2019



A267661

STATEMENT OF INTENT

This agreement represents the shared desire of local government in the Southland Region to pro-actively collaborate and co-operate with each other, to maximise effectiveness and efficiency and to meet the current and future needs and interests of their respective communities.

PREAMBLE

The Local Government Act 2002 recognises that each individual local authority is only one player in the achievement of community needs and interests, and that attaining those objectives goes beyond local authority boundaries. The Act, through its principles further recognises that local authorities will need to actively seek to collaborate and co-operate with other local authorities and bodies to improve the effectiveness and efficiency with which it achieves its identified priorities and desired outcomes. The main framework for co-ordinating the collaboration between different local authorities is the Triennial Agreement.

This Agreement is deemed to meet the requirements of section 15 of the Local Government Act 2002.

For the legal context see Appendix 2.

PURPOSE

Through this Triennial Agreement, local authorities are encouraged to work together to recognise and promote the needs and interests of their communities in all of their social, economic, environmental and cultural aspects, consistent with the principles of sustainable development. This agreement provides an opportunity to reinforce the principle of collaboration and improve communication and co-ordination at all levels of local government in the Southland Region.

It is recognised that a significant level of formal and informal collaboration and co-operation already exists between the local authorities. The success of the Triennial

Agreement will be demonstrated through expanded relationships that help the local authorities to work co-operatively and collaboratively to advance community goals for the region as a whole. This agreement does not address local authorities' relationships with Central Government agencies or other important sectors of the community, each of which will also be important to the effective delivery of community outcomes.

Appendix 1 lists possible areas of collaboration.

SIGNATORIES

The parties:

- Gore District Council
- Invercargill City Council
- Southland District Council
- Environment Southland (Southland Regional Council).

PRINCIPLES AND PROTOCOLS

The parties agree to work in good faith together for the good governance of their localities and the region.

Signatories to this agreement recognise that:

1. the communities within the Region are diverse and encompass a range of desired outcomes. Issues and concerns that are shared by some local authorities may be of little relevance to others. This Triennial Agreement acknowledges that it must have a range of sub-agreements or protocols developed for communication and co-ordination on local issues and media responses between and among local authorities.
2. collaboration among local authorities is necessary to address increasingly complex governance issues. Many issues cannot be solved by any one agency acting alone. Issues such as community safety and sustainable

- development do not have simple solutions. This includes a commitment to make staff available across local authority boundaries during emergencies.
3. it is desirable that collaboration occur at both the governance and operational levels.
 4. collaboration can make planning more efficient, reduce costs, increase available resources and help make strategic judgments about the allocation of resources and the delivery of services.
 5. collaboration can help the local authorities promote the social, economic, cultural and environmental needs and interests of communities in the Region.
 6. this agreement establishes a platform for ongoing discussion and consultation on issues, policy and programmes.
 7. the councils agree to act in good faith on issues of information and disclosure.
 8. the councils agree to work collaboratively in an open and transparent manner.
 9. as signatories to this agreement all councils will ensure provision of the following:
 - (a) Early notification to affected councils, through the distribution of draft documentation and information, of major policy discussions which may have implications beyond the boundaries of the decision-making council. This specifically includes the development of consultation policies and policies on significance and engagement.
 - (b) Opportunities for all councils in the region to be involved in early consultation on the development of one another's draft Annual Plan and draft Long-term Plan

and other significant policy consultation processes or consultation documents.

- (c) The application of a 'no surprises' policy, whereby early notice will be given over disagreements or differences between councils concerning issues, policy or programmes, before critical public announcements are made.
- (d) Where practicable, avoidance of unnecessary duplication by jointly or in a collaborative manner, engaging with communities and agencies in order to identify outcomes considered as desirable for communities and to prioritise those outcomes, in the context of s10 and s14 of the Act.

MAYORAL FORUM

The Mayoral Forum is a non-statutory body made up of the Mayors, regional Chair, Deputy Mayors/Chair, and their Chief Executives and its purpose is to provide leadership to programmes and projects with a regional perspective that cut across the local authorities and which require integrated leadership. Its mandate is provided by this Agreement.

A protocol for the operation and meeting format of the Mayoral Forum has been agreed by the parties as part of this Agreement. See Appendix 3.

CEOs will be the "clearing house" for addressing and agreeing any strategic, emerging or identified issues, with information and meeting notes to be distributed to the Mayoral Forum irrespective of the issues. Emergency meetings between the combined CEOs can be called as required.

This does not preclude meetings being co-ordinated by councils other than the council next on the rotation, on request. All public communications from these meetings will be approved by all participants prior to their release.

GENERAL APPROACH TO CONSULTATION

Signatories to this agreement will endeavour to:

1. work jointly to share resources for the purpose of preparing background information on the various communities within the Region. Such information may include demographics, survey data and scientific studies and the analysis of social, economic, environmental and cultural trends.
2. actively collaborate and cooperate with government agencies and local authorities outside the region as considered appropriate to promote or achieve regionally focused priorities and desired outcomes, while making efficient use of resources, and in situations where issues and potential solutions cross local authority boundaries.
3. develop agreed or joint approaches to engaging with the media (including development of joint media statements), Government agencies, tangata whenua, and other organisations.
4. develop processes, protocols and agreements through which the councils can jointly participate in identifying, delivering services (e.g. S.17A, LGA), and funding facilities of significance to more than one district.
5. promote communication and co-operation among the local authorities in the Region.
6. provide early for notification/circulation of information, and participation in, decisions that may affect other local authorities in the Region.
7. make draft strategies, policies and plans available to all local authorities in the Region for discussion and development.

8. recognise that shared services in the region, or joint procurement approaches with joint or separate contracting, can bring efficiencies and savings in terms of planning, administration, consultation and operations; increases in available resources and promotion of cooperative approaches to the allocation of resources (refer to Appendix One).
9. use our statutory reporting documents to report steps taken to implement the intent of this document.
10. the following consultation process (in terms of Clause 3A, First Schedule RMA) will apply to any change, variation, or review of the Regional Policy Statement for the Southland Region, and the preparation of any future Regional Policy Statement:
 - (a) Environment Southland will seek the input of territorial authorities into the review of the Regional Policy Statement for the Southland Region.
 - (b) Environment Southland will make available to all local authorities, for discussion and development, draft copies of:
 - any change or variation to the Regional Policy Statement
 - any proposed Regional Policy Statement.
 - (c) territorial authorities will be given a reasonable period of time, but no less than 30 working days, to respond to any such proposal. Environment Southland agrees to consider fully any submissions and representations on the proposal made by territorial authorities within the region.

SIGNIFICANT NEW ACTIVITIES PROPOSED BY THE REGIONAL COUNCIL

If Environment Southland or a regional council-controlled organisation proposes to undertake a significant new activity, Section 16 of the Local Government Act 2002 shall be adhered to.

As part of this communication process, the parties agree to discuss the issues involved at one or more of the existing forums, and to provide early drafts of proposals to affected councils for early comment. This includes amendment of the Environment Southland's significance and engagement policy.

Where it is proposed that Environment Southland undertakes significant new activities that are undertaken or have been proposed in a consultation document to be undertaken by one or more territorial authorities within the Region:

- a. Environment Southland will as soon as practicable inform all territorial authorities within the Region of:
 - the nature of the activity proposed to be undertaken
 - the scope of the proposal (including size, districts covered and why)
 - the reasons for the proposal.
- b. territorial authorities will be given a reasonable period of time, but no less than 30 working days, to respond to any such proposal. Environment Southland agrees to fully consider any submissions and representations on the proposal made by territorial authorities within the Region.
- c. should there be substantive disagreement between the local authorities about whether

Environment Southland should undertake the activity, the parties agree to refer the matter to mediation, as set out in the process in this agreement for resolving disagreement.

DECISIONS OF A LOCAL AUTHORITY

If a decision of a local authority is significantly inconsistent with, or is expected to have consequences that will be significantly inconsistent with this agreement, the local authority must, when making the decision, clearly identify –

- (a) the inconsistency; and
- (b) the reasons for the inconsistency; and
- (c) any intention of the local authority to seek an amendment to this agreement.

As soon as practicable after making any decision to which the above applies, the local authority must give to each of the other local authorities within the region notice of the decision and of the matters specified in subsections (a) – (c).

RESOLVING DISAGREEMENT

In the event of a disagreement over the terms of this agreement, the parties agree to refer the issue of disagreement to mediation for a resolution within 3 months of any such disagreement arising. If no agreement is forthcoming a mediator will be appointed by the president of the Southland District Law Society. If mediation is unsuccessful, any of the local authorities affected may ask the Minister of Local Government to make a decision on the proposal.

AUTHORITY

This agreement is signed under seal by the following on behalf of their respective authorities:

Environment Southland (Southland Regional Council)

Chair

Deputy Chair

Chief Executive

Southland District Council

Mayor

Deputy Mayor

Chief Executive

Invercargill City Council

Mayor

Deputy Mayor

Chief Executive

Gore District Council

Mayor

Deputy Mayor

Chief Executive

APPENDIX 1

Existing structures that promote communication and collaboration include, but are not limited to:

Assistance with WINZ System
Barberry Control
Emergency Management Welfare Group
Co-ordinating Executive Group
Election Returns
Emergency Management Southland
GIS Data Sharing Gravel
Management Hazardous
Waste Group
Hazardous Waste Response Group
Information Technology
Laboratory Testing and Monitoring
Maintenance of Boundary Roads and Bridges
Milford Community Trust
NZAA Register Update
Public Information Management Team (SEMO)
Rakiura National Park Report
Regional Advisory Group (Transport)
Regional Transport Committee
Representation Review projects
Review of the Southland District Plan
Review of the Southland Regional Policy Statement
Riverton Harbour Committee
Road Safety Committee
Road Safety Co-ordination (joint employment)
Road Safety Southland Trust
Snow Pole Route Closure
SoRDS Southland Regional Development Strategy
Southern Rural Fire Authority
Southern Scenic Route Signs
Southland Coastal Landscape Study
Southland Emergency Management Group
Southland Heritage Building Preservation Trust
Southland Regional Heritage Committee
Southland Shared Services Forum
Spartina Control
Specification/Policy Sharing and Development
Te Anau Basin Planning Study
Te Roopu Taiao
Tender Evaluations
Urban Fire Risk
Venture Southland
Waiau River Working Party
Wastebusters Group
WasteNet/Waste Advisory Group
Wetlands on Private Land

APPENDIX 2

LEGAL REQUIREMENTS – Local Government Act 2002

This document is deemed to duly constitute fulfillment of section 15 of the Local Government Act 2002.

Section 15 requires that:

- (1) Not later than 1 March after each triennial general election of members, all local authorities within each region must enter into an agreement under this section covering the period until the next triennial general election of members.
- (2) An agreement under this section must include—
 - (a) protocols for communication and co-ordination among the local authorities; and
 - (b) a statement of the process by which the local authorities will comply with section 16 in respect of proposals for new regional council activities; and
 - (c) processes and protocols through which all local authorities can participate in identifying, delivering, and funding facilities and services of significance to more than 1 district.
- (3) An agreement under this section may also include—
 - (a) commitments by local authorities within the region to establish or continue 1 or more joint committees or other joint governance arrangements to give better effect to 1 or more of the matters referred to in subsection (2); and
 - (b) the matters to be included in the terms of reference for any such committees or arrangements, including any delegations.
- (4) An agreement under this section may be varied by agreement between all the local authorities within the region.
- (5) An agreement under this section remains in force until it is replaced by another agreement.
- (6) If a decision of a local authority is significantly inconsistent with, or is expected to have consequences that will be significantly inconsistent with, the agreement under this section that is currently in force within the region, the local authority must, when making the decision, clearly identify—
 - (a) the inconsistency; and
 - (b) the reasons for the inconsistency; and
 - (c) any intention of the local authority to seek an amendment to the agreement under subsection (4).
- (7) As soon as practicable after making any decision to which subsection (6) applies, the local authority must give to each of the other local authorities within the region notice of the decision and of the matters specified in that subsection.

In addition, other sections of the LGA also require collaboration:

Section 14 (e) –

a local authority should actively seek to collaborate and co-operate with other local authorities and bodies to improve the effectiveness and efficiency with which it achieves its identified priorities and desired outcomes;

Section 14 (g) –

a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region, including by planning effectively for the future management of its assets

Section 16 – (summary)

if regional council, or a regional council-controlled organisation, proposes to undertake a significant new activity, the regional council must advise all the territorial authorities within its region of the proposal and seek their agreement

LEGAL REQUIREMENTS – Resource Management Act 1991

Clause 3A, First Schedule -

- (1) A triennial agreement entered into under section 15(1) of the Local Government Act 2002 must include an agreement on the consultation process to be used by the affected local authorities in the course of—
 - (a) preparing a proposed policy statement or a variation to a proposed policy statement; and
 - (b) preparing a change to a policy statement; and
 - (c) reviewing a policy statement.
- (2) If an agreement on the consultation process required by subclause (1) is not reached by the date prescribed in section 15(1) of the Local Government Act 2002,—
 - (a) subclause (1) ceases to apply to that triennial agreement; and
 - (b) 1 or more of the affected local authorities—
 - (i) must advise the Minister and every affected local authority as soon as is reasonably practicable after the date prescribed in section 15(1) of the Local Government Act 2002; and
 - (ii) may submit the matter to mediation.
- (3) If subclause (2) applies, the parts of the triennial agreement other than the part relating to the consultative process referred to in subclause (1) may be confirmed before—
 - (a) an agreement on the consultative process is reached under subclauses (4) and (5)(a); or
 - (b) the Minister makes a binding determination under subclause (5)(b).
- (4) Mediation must be by a mediator or a mediation process agreed to by the affected local authorities.
- (5) If the matter is not submitted to mediation or if mediation is unsuccessful, the Minister may either—
 - (a) make an appointment under section 25 for the purpose of determining a consultation process to be used in the course of preparing a proposed policy statement or reviewing a policy statement; or
 - (b) make a binding determination as to the consultation process that must be used.
- (6) The consultative process must form part of the triennial agreement, whether or not the other parts of the triennial agreement have been confirmed, in the event that—
 - (a) an agreement is reached under subclause (4) or subclause (5)(a) as to a consultative process, as required by subclause (1); or
 - (b) the Minister makes a binding determination under subclause (5)(b).
- (7) In this clause, "affected local authorities" means—
 - (a) the regional council of a region; and
 - (b) every territorial authority whose district is wholly or partly in the region of the regional council.]

APPENDIX 3 – MAYORAL FORUM PROTOCOL

Status

The Mayoral Forum is a non-statutory body. It is formed by the agreement of the local authorities that comprise it. Its power to act on any matters is prescribed through the Triennial Agreement made between those local authorities at the beginning of each Triennium. This Agreement can be revisited and updated at any time but must be consulted on with each of the local authority signatories.

Purpose

The purpose of the Mayoral Forum in Southland is to provide governance leadership to programmes and projects with a regional perspective that cut-across the local authorities and which require integrated leadership. These are “horizontal” programmes of a regional nature that require a joined-up regional approach in order to be successful.

Regional Direction

There are a number of regional documents that need to be co-ordinated into the consensus direction overseen by the Mayoral Forum and delivered by the councils. Arguably, the primary document is the Regional Policy Statement which identifies the high level directions of the region. This is a community consensus document.

The Regional Policy Statement is then given effect to in other documents:

- Regional Plans (Environment Southland)
- District Plans (of each of the territorial councils)

The SoRDS strategy reflects the desire for a strong focus on regional social and economic development to be acknowledged in the Regional Policy Statement, in the regional and district plans, and in the Long-term Plans (LTPs). There is a role for the Mayoral Forum to seek alignment across those primary management documents to ensure that steady progress is being made to achieve their higher level goals.

Operation of the Mayoral Forum

- Frequency –** the Mayoral Forum meets **at least** four times a year
- Chairing –** the Mayoral Forum is chaired for a period of one year by a mayor agreed by the other mayors on a rota which means that all mayors or chair would have served as a chair in a period of four years. The period of a year is chosen to give the chair an opportunity to develop a solid programme of action.
- Membership –** membership will comprise of the Mayors, regional Chair, Deputy Mayors/Chair, and their chief executives
- Meeting location –** the meeting location is circulated around the region on a meeting by meeting rota.
- Servicing –** the council organisation of the incumbent chair would be responsible for servicing the Mayoral Forum which would include developing agendas, inviting guests, arranging their presentations and organising the annual forums listed below. This would involve a significant commitment for that organisation and advance planning would be necessary to ensure all responsibilities are met. The

proceedings of the Mayoral Forum would be held in a Dropbox to which all the members of the Forum would all have access.

Meeting format

1. **Internal Business** (30 minutes) – the Mayors, regional Chair, Deputy Mayors/Chair, and their chief executives will meet alone for the purpose of identifying any issues and dealing with any local-authority-specific business.
2. **Regional Development** (40 minutes) – the Mayors regional Chair, Deputy Mayors/Chair, and their chief executives will receive a report from the Chair of the Southland Regional Development Strategy Governance Group at every meeting. This report will include reporting against the targets set out in the Southland Regional Development Strategy, and the Action Plan, once it is completed later this year.

This section of the meeting is able to be attended by the local MPs and Ngai Tahu representatives (as agreed).

3. **Regional Forum** (one hour) – the Mayors regional Chair, Deputy Mayors/Chair, and their chief executives will receive brief presentations from pre-arranged contributors. A regular report would be provided by the Chair and CEO of Venture Southland (on an ‘as required’ basis) to review progress on major regional projects. From time to time (and not less than annually) the forum will receive reports from the leaders of local agencies such as the DHB, Police, WINZ, Ngai Tahu, CTOS and the Licensing Trusts. The purpose of these discussions will be to identify regional level issues and responses that may benefit from Mayoral support or involvement.

This section of the meeting is able to be attended by the local MPs and Ngai Tahu representatives (as agreed).

4. **Shared Services** (15 minutes) – a brief shared services report would be provided by the chief executive of Southland District Council which oversees the Shared Services operation.
5. **Annual Events** – up to two events are to be considered for placement onto the annual agenda and held in conjunction with a regular Mayoral Forum meeting. They are:
 - **Central Government Forum** – this will comprise a gathering of Ministers and Central Government officials (and local MPs where agreed by Ministers). Its purpose is to cover off the major issues of concern for the region that relate to Central government policies and services. It would be normally expected that at least some of the Regional Economic Development Ministers would attend and that the profile of this gathering would be steadily built over a number of years so that it is a recognised and anticipated annual event.
 - **Local Organisations Forum** – this is a gathering of representatives from local organisations and agencies who have the opportunity to discuss major issues of importance to Southland. It would be themed along such lines as facilities and infrastructure, youth unemployment and training, poverty and housing. The purpose of these Forums would be to sensitise the Mayors/Chair and their deputies to local issues and identify any actions that need to be taken or facilitated by local government. It may be considered that this overlaps with the regional forum outlined above and could be one in the same.

TO: COUNCIL
FROM: THE CHIEF EXECUTIVE
MEETING DATE: TUESDAY 18 SEPTEMBER 2018

INVERCARGILL CITY HOLDINGS

SUMMARY

On 28 August 2018 Council resolved to adopt an amended Appointment and Remuneration of Directors Policy. It has been identified that the policy inadvertently requires Council approval for the appointment of directors to subsidiaries of Electricity Invercargill Limited. A revised policy excluding that unintended effect is provided for approval.

The Appointment and Remuneration of Directors Policy also sets out the process for review of the salary of directors of Council Controlled Organisations. In the years when a review of the directors salary is not undertaken it provides that the salaries are increased in accordance with the June annual CPI (All Groups) data. Council is requested to approve a 1.5% increase in salary consistent with the Policy.

RECOMMENDATIONS

That the “Invercargill City Holdings” report be received;

AND

That Council adopt the Appointment and Remuneration of Directors Policy as attached in Appendix 1;

AND

That Council approve a 1.5% increase in the remuneration of directors in accordance with the Appointment and Remuneration of Directors Policy.

IMPLICATIONS

1.	<i>Has this been provided for in the Long-term Plan/Annual Plan?</i> Yes.
2.	<i>Is a budget amendment required?</i> No.
3.	<i>Is this matter significant in terms of Council’s Policy on Significance?</i> No.
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> Not applicable.

5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> No.
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> Yes.

APPENDIX

A. Invercargill City Policy on Appointment and Remuneration of Directors.

1. APPOINTMENT AND REMUNERATION OF DIRECTORS POLICY

On 28 August 2018 Council adopted the revised Appointment and Remuneration of Directors Policy (the Policy). The Policy inadvertently included expanding the role of Council in the appointment of directors to subsidiaries of Electricity Invercargill Limited. This was not the intention of the Policy.

A revised Policy has been prepared (Appendix A) with the changes to exclude this unintended consequence. The change is in Section 4 and states that:

With the exception of Electricity Invercargill Ltd, CCTOs in which ICHL holds shares must not appoint Directors to their own subsidiaries or associates without the approval of Council.

2. REMUNERATION

The Policy provides that Directors' fees are externally reviewed every three years. The Directors' fees were last externally reviewed in 2016. The Policy provides that in the years in which Directors' fees are not reviewed by an external remuneration firm they will be increased in accordance with the June annual CPI (All Groups). This increase was not sought in 2017.

For the 2017-2018 year the June annual CPI (All Groups) was 1.5%.



**INVERCARGILL CITY COUNCIL POLICY ON
APPOINTMENT AND REMUNERATION OF
DIRECTORS**

SEPTEMBER 2018

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SECTION 1: BACKGROUND AND DEFINITIONS

Background

The Local Government Act 2002 (the Act) requires Council to adopt a policy for the appointment of Directors to a Council organisation and their remuneration.

Sections 14(f) and 59(1)(d) of the Act require Council and its “council-controlled trading organisations” (“CCTO”) to undertake commercial transactions in accordance with sound business practice, which in Council’s view supports maintaining appropriate corporate governance structures and procedures designed to ensure that appropriate persons are appointed as a Director.

Council must be satisfied that the governance requirements relating to its council organisations are consistent with legislative requirements and, for CCTO’s, sound business practice, and should review its policy at appropriate intervals.

Purpose

Section 57(1) of the Act, provides authority that **Council must adopt a policy that sets out an objective and transparent process** for:

- (a) the identification and consideration of the skills, knowledge, and experience required of Directors of a Council organisation; and
- (b) the appointment of Directors to a Council organisation; and
- (c) the remuneration of Directors of a Council organisation.

Section 57(2) of the Act provides authority that the Council may appoint a person to be a Director of a council organisation **only if** the person has, in Council’s opinion, the skills, knowledge, or experience to:

- (a) guide the organisation, given the nature and scope of its activities; and
- (b) contribute to the achievement of the objectives of the organisation.

The purpose of this policy is to:

- (a) Comply with the requirements of section 57 of the Act;
- (b) Ensure that Council complies with all relevant legal requirements relating to appointment of Directors; and
- (c) Promote the overall aims and outcomes of Council by facilitating best practice corporate governance in respect of Council organisations.

The following principles apply to this policy:

- (a) Appointments will be made on the basis of merit, having regard to the skills, knowledge and experience appropriate to the entity.
- (b) The Council will follow corporate governance best practice, including any relevant guidelines provided by the Institute of Directors.
- (c) Directors of Council-controlled trading organisations will be appointed on the basis of the contribution they can make to the organisation.
- (d) All Council appointed Directors to Council-controlled trading organisations must comply with the Institute of Directors Code of Conduct for Directors.

- (e) Where organisations are subsidiaries of Invercargill City Holdings Ltd (ICHL) or companies directly owned by ICC, then ICHL will act as the interface and monitoring body between the Council and those subsidiaries.

Application of Policy

This policy applies to all 'Council Organisations', as required by the Act, and to certain other organisations that, due to their significance, Council determines should be covered by this policy.

The policy is primarily designed for Director appointments to 'Council-controlled trading organisations' which carry out trading activities for a profit. To support good governance and consistent policy, this policy also applies to other analogous entities, such as Energy Companies, and to the extent such is within Council's control, trading entities in which Council does not hold a controlling interest.

The Act defines "Council organisation" as being an organisation where the Council has the right to have a vote in the organisation's affairs, or has the right to appoint one or more Directors, Trustees or Managers of that organisation however described. This definition includes many community groups where the Council appoints a Councillor, Community Board member or officer as a member of the governance body of that organisation. This policy applies to such non trading activities, with any necessary modifications to reflect the non trading nature of such entities.

The policy does not apply to Joint Committees of Council (such as WasteNet Southland). Joint Committees act under delegated authority from Council and the other Councils that are members of the joint committee. Joint Committees are excluded from the definition of "Council Organisation" in the Act. Membership of a joint committee is made up from representatives of the Councils and other appointees, in accordance with a specific governance procedure agreed with the other Councils. However, Council will have regard to this policy when determining, negotiating and reviewing the Governance Mechanisms for Joint Committees

Definitions

The term "Council organisation" ("CO") is as defined Section 6 of the Act.

Section 6 of the Act creates two sub-categories of COs – "Council-controlled organisations" ("CCOs") and "Council-controlled trading organisations" ("CCTOs").

The Council has interests that fall in each of these 2 sub-categories.

The following statements used in this Policy are provided for guidance purposes only. Fuller definitions are provided in Section 6 of the Act.

Meaning of "Council Organisation"

In broad terms, a CO is an organisation in which the Council has a voting interest or the right to appoint a Director, Trustee or Manager (however described).

Meaning of “Council-Controlled Organisation”

A CCO is a CO in which one or more local authorities control, directly or indirectly, 50% or more of the votes or have the right, directly or indirectly, to appoint 50% or more of the Directors, Trustees or Managers (however described).

Meaning of “Council-Controlled Trading Organisation”

A CCTO is a CCO that operates a trading undertaking for the purpose of making a profit.

For the purpose of this document only:

- (a) Invercargill City Holdings Limited (ICHL) is excluded from the definition of a CCTO (there is a separate section in this Policy for the appointment and remuneration of Directors to ICHL).
- (b) Any Joint Committee is excluded from this Policy (there is a separate appointment process for members of a Joint Committee).
- (c) Energy companies are considered for the purpose of this Policy only to be CCTOs, notwithstanding specific exemptions for energy and other companies under Section 6 of the Act.
- (d) Trading entities that do not constitute a CCTO due to Council not controlling the entity are considered for the purpose of this Policy only to be CCTOs.

Meaning of “Director”

“Director” means a Director, Trustee or analogous governance appointee.

All Council Organisations, including CCOs and CCTOs (unless exempted under this Policy) will be subject to this Policy in relation to any future appointments.

Meaning of “Director Appointments Committee”

The “Director Appointments Committee” means the Committee established by Council to recommend to Council the appointment of Directors of ICHL (see Section 2). The Committee also recommends the appointment of Directors of CCTOs to Council. .

Review

This policy replaces the Invercargill City Council Policy on Appointment and Remuneration of Directors adopted January 2014 and shall be reviewed by Council at least every three (3) years.

SECTION 2: DIRECTOR APPOINTMENTS COMMITTEE

The Council will establish a committee to be known as the "Director Appointments Committee" and it shall continue until Council resolves otherwise and it will after the triennial Council election and in the event of a vacancy of a Director on ICHL recommend to Council the appointment of:

- (a) Members of Council as Directors of ICHL (subject to Section 3) –
- (b) Independent Directors of ICHL (subject to Section 3); and
- (c) Directors of CCTOs.

The Director Appointments Committee will be comprised of four members who are not seeking appointment to the ICHL Board or any of its subsidiaries.

Where possible the committee members shall include the current chair of ICHL or his/her nominee, a member of the Institute of Chartered Accountants, an employment specialist who is a member of the Institute of Directors and a further member of the Institute of Directors.

The Director Appointments Committee will determine the required skills, knowledge and experience which are necessary for an effective Board. The Committee shall consider the criteria outlined in Schedule 1 of this Policy and any criteria previously used by ICHL in its assessment of candidates for other CCTOs. Where necessary the Committee may take into account the candidate's potential to acquire further business and financial skills, in addition to his or her existing skills and experience. The candidate's skills must be relevant to the requirements of ICHL in terms of its governance and objectives.

The Council and Council Appointments Committee must ensure that all appointments proposed by them comply with this policy and with the requirements of the Act.

SECTION 3: INVERCARGILL CITY HOLDINGS LIMITED

Board Composition

ICHL is 100% owned by Council, and is the Holding Company for Council's trading entities. It monitors the performance of all CCTOs.

The ICHL constitution provides for a minimum of 4 and a maximum of 8 Directors, of whom at least two must be neither Council members nor employees.

It is intended that a majority of ICHL Directors be Councillor Directors, subject to sufficient suitable candidates being identified.

It is critical to the success of the ICHL Board that it has a composition which is capable of maintaining the confidence of the Council and the subsidiary companies.

Appointments Committee to Recommend Directors

The Director Appointments Committee will recommend to Council the appointment of Directors of ICHL (see Section 2).

The ICHL constitution provides that at least two Directors must be persons who are neither members of or employed by any local authority that is a shareholder ("Independent Directors").

Directors of ICHL shall be recommended to Council by the Committee applying criteria to potential candidates as outlined in Schedule 1 to this Policy.

Independent Directors shall be appointed for terms that expire in years other than any calendar year in which the triennial Council election is scheduled to occur.

In making appointments every endeavour will be made to ensure that a range of good governance skills will be available to the ICHL Board as a whole.

Appointments Process

The Director Appointments Committee will assess the skills, knowledge and experience required for appointment as a director of the ICHL board (both independent and Council directors), taking into account such other factors as:

- Encouraging diversity
- Council's objectives for ICHL (as described in the Statement of Intent)
- ICHL's relationship with the Council, as ICHL's sole shareholder
- Succession planning.

In addition the core competencies as outlined in Schedule 1 are expected of all appointees.

The Committee will prepare a list of possible candidates to be interviewed. In preparing the list, the Committee will use a number of resources including, but not exclusively, public advertising, a database of potential candidates maintained by

ICHL, personal recommendations and self-referrals, identifying individuals with the required skills and competencies, and specialist consultants.

Where a candidate is being re-appointed or has previously been a director on the Board of another Council-controlled Organisation, the Committee may choose not to interview that person, but will first discuss the matter with the relevant board Chairperson. The process for considering re-appointment is set out below.

The Committee will report to the Council on the outcome of the appointments process and the Committee's recommendations. The Council will be the final decision-maker.

The step by step appointments process is included in Schedule 2.

Conflict of Interest

All applicants for a director position shall formally declare any potential conflicts of interest, and the Appointments Committee and Council shall have regard to existing directorships and any other sources of potential conflicts. In considering appointment where a potential conflict of interest has been identified, the Appointments Committee should be confident that:

- The candidate will be able to make an effective contribution, even if their interest means that they cannot participate in discussions or votes relating to one or more activities of the organisation, and
- Measures can be put in place to effectively manage the conflict.

Consideration by Council and Appointment

Any recommendations of the Director Appointments Committee shall be made in a report to the Council and considered in the "public excluded" agenda of Council in order to protect the privacy of the individuals concerned. The Council will consider the report and make its decision.

Public announcement of the appointments will be made as soon as practicable after the Council has made its decision.

Governance Training

It is expected that all appointees to the ICHL Board will maintain or enhance their skills by undertaking corporate governance training. ICHL will generally pay for at least part of any such training.

Length of Tenure

Elected Member Directors are appointed for a three year term. They may offer themselves for re-election to the Board and shall hold office until Council has determined a recommendation from the Director Appointments Committee.

Independent Directors shall be appointed for a three year term, generally with a maximum tenure of three terms of three years.

Chairperson

The ICHL Board shall nominate who will be the chair of the ICHL Board and take account of the experience and appropriate skills of the existing Board, and the following principles relating to succession planning.

Rationale for a Succession Plan:

To provide for:

- Smooth transition through a planned approach.
- Knowledgeable leadership of the Board in the event of planned or unexpected retirement of the incumbent Chairperson.
- Recognition that the term of any chairperson in that role is limited.
- A Chairperson's desire to step down at any time, knowing that there is a person who is prepared to take over the role.
- Appointment of a new Chairperson who should generally have knowledge of the Company.
- Council should generally consider the need for a potential successor as it makes each Director appointment.

Succession Planning Process:

The ICHL Board will work through succession planning for the Chair of ICHL using the following process:

- Ensure that planning starts at least one year before planned retirement.
- Discuss with current Chairperson their views on the date of their retirement and who would be a good successor.
- Compose a list of required skill sets for the position following discussion (as appropriate) with the Chairperson and individual Board members and ascertain whether there is any obvious leader amongst the existing Board.
- Agree a timeframe of the new appointment allowing a bedding-in time of at least one year if the newly proposed Chairperson is new to the Board.
- Interview / discussions with the preferred candidate to ascertain their availability for the Chairperson role.
- Preliminary discussions will not guarantee appointment but give an indication that all things being equal, they will be the next Chair.

General Skill Sets Required:

- Able to maintain the trust of the Council.
- Able to maintain close, but independent, working relationship with CEO.
- Ability to harness the collective skills of the Board and executive team to achieve the business objectives and maintain the confidence of the shareholders.
- Ability to encourage all Directors to have full participation in Board deliberations.
- Ability to lead Board evaluation process.
- Ability to demonstrate leadership and good interpersonal skills.
- Ability to efficiently conduct Board meetings.
- Ensure timeliness and relevance of information to the Board.
- Ability to be the spokesperson for the company.
- Integrity and credibility within the business community.
- Ability to retain the confidence of the 'city' and able to build relationships within the city's networks.

Re-appointment Process

When approaching the retirement of a director, the Director Appointments Committee will discuss reappointment of the director. The discussion will include, without limitation, whether the skills of the incumbent add value to the work of ICHL or other skills are needed, whether any aspects of Board performance need to be assessed, whether the process offers an opportunity to increase the diversity of the Board, the director's length of tenure, and / or succession planning.

The outcome of the discussion will form the basis of a report to Council on whether or not to recommend re-appointment.

Board members should not be given any expectation that they will be automatically offered a subsequent term of office automatically.

The final decision on reappointment will be made by Council.

Remuneration of ICHL Directors and CCTOs

Every three years but more frequently if considered appropriate by Council in the case of ICHL or ICHL if CCTOs, ICHL will independently review the level of remuneration being paid to the Boards of the CCTOs.

This review will consist of an external remuneration firm, ie Strategic Pay, reviewing the CCTO's and recommending an annual market remuneration. There will be a 20% public good discount applied against the market rates to represent community ownership of the CCTO. In the intervening years, the Directors' fees will be increased by the June annual CPI (All Groups) to maintain market relativity.

The fees for ICHL Directors will be assessed with no distinction made between Non-Council and Council Directors.

ICHL will then report to the Council with a recommendation with regard to the level of fees for the ICHL Board.

When the Council considers this issue, those Councillors who are Directors of ICHL or any other CCTO may not take part in discussions or vote on the issue.

ICHL will arrange and pay for Directors' liability insurance, and indemnify each of the Directors.

Removal of a Director

The ICHL Constitution provides that any Director of ICHL may be removed from office at any time by notice in writing from the majority shareholder (Council).

Without limiting the rights of Council in the constitution, the likely reasons which would justify removal of a Director would be where a Director:

- (a) No longer has the confidence of the Board or the Council
- (b) Has breached ethical standards and this reflects badly on the Board and/or Council
- (c) Does not act in the best interests of the company

- (d) Breaches the confidence of the Board in any way including speaking publicly on Board issues without the authority of the Board
- (e) Does not act in accordance with the principles of collective responsibility.

Where the ICHL Board has concerns regarding the behaviour of one of its Directors it shall be considered first by the Board and where necessary the Board may recommend the removal of the Director to the Council.

ICHL may recommend to Council the removal of a Director from any of its subsidiaries for similar reasons as set out above.

Common Directorships

ICHL provides an important governance and monitoring role in respect of other CCTOs.

As a general approach, the Directors of ICHL should not hold directorships on other CCTO's or subsidiaries. However, where it is proposed that an ICHL Director has skills and experience that would, having considered this policy, be beneficial to the operation of any other CCTO or subsidiary, or other good grounds exist for the appointment which gives rise to a common directorship, then such appointment may be made by Council.

SECTION 4: COUNCIL-CONTROLLED TRADING ORGANISATIONS

Introduction

The Council has significant shareholdings, via ICHL, in a variety of CCTOs. These all operate at arm's length from the Council on a commercial basis.

The Council may establish further CCTO'S during the life of the Policy.

ICHL has been charged by the Council with monitoring the CCTO's in which ICHL directly or indirectly holds shares. For CCTO's (if any) where the shares are held directly by Council, ICHL will be responsible to monitor the CCTO.

With the exception of Electricity Invercargill Limited, CCTOs in which ICHL holds shares must not appoint Directors to their own subsidiaries or associates without the approval of Council.

No Directors will be appointed to CCTO Boards other than through the process described in this policy.

Skills, Knowledge and Experience

The required skills, knowledge and experience for Director appointments to a CCTO Board are assessed by the Director Appointments Committee, in consultation with the Chairperson of the relevant CCTO. Reference is made to current governance best practice in this area, as provided in the Institute of Directors' guidelines and other relevant material. External assistance may be used by the Committee when required.

The mix of skills and experience on the CCTO Board will be taken into account, and consideration given to complementing and reinforcing existing skills and objectives of that Board as set out in the Statement of Intent.

In general terms, the following qualities are sought in Directors of CCTOs:

- (a) Intellectual ability.
- (b) Commercial experience.
- (c) Understanding of governance issues.
- (d) Sound judgement.
- (e) High standard of personal integrity.
- (f) Commitment to the principles of good corporate citizenship.
- (g) Understanding of the wider interests of the publicly-accountable shareholder.

As a general principle, Council would seek to appoint a person who, while meeting all of the above criteria, has particular strengths in terms of attribute (g).

It is expected that all appointees to CCTO Boards will maintain or enhance their skills by undertaking corporate governance training.

As a general approach, Councillors or council staff would not normally be appointed as Directors of CCTO's other than ICHL. However, where it is proposed that such a person has skills and experience that would, having considered this policy, be

beneficial to the operation of any other CCTO or subsidiary, or other good grounds exist for the appointment, then such appointment may be made by Council.

The Energy Companies Act provides that not more than 2 members of the directorate of any energy company may be persons who are members or employees of any local authority that holds voting equity securities in that company.

Appointment Process

When a vacancy arises in any CCTO, the Director Appointments Committee, having identified the skills, knowledge and experience required for the position (in consultation with the CCTO Chairperson), will then follow the process set out below.

The Director Appointments Committee will conduct the search process and make recommendations to the Council, however, the appointment decision will be made by the Council.

Search:

- (a) ICHL will maintain a database of potential candidates for appointment to CCTO Boards. This will be updated on a regular basis, utilising contacts with the business community and other relevant sources. The database and its detail will be confidential to the Board of ICHL.
- (b) The database will be the first point of reference in the search process. However, in most cases, a specialist consultant will also be contracted to assist with the provision of names of possible candidates and the initial evaluation. In most cases, the vacant CCTO Board position will not be advertised, as this would not normally be expected to add any significant value to the process.
- (c) In some circumstances, ICHL may wish to appoint one of its own Directors for a particular purpose, but in such case the policy on common directorships set out in this policy shall apply and the Council will have the final decision.

Interview:

- (a) Following the search process the Director Appointments Committee will draw up a short list of candidates.
 - (b) Where appropriate the Committee will co-operate with minority shareholders in the selection process.
 - (c) Each candidate will be interviewed by the Committee. The Committee will then decide its preferred candidate, check all references and report back to the Council for decision.
-
- (b) Public announcement of the appointment will be made as soon as practicable after Council has made its decision.
 - (c)

The step by step appointments process is included in Schedule 2.

Reappointment

Where a Director's term of appointment has expired and he or she is offering him/herself for reappointment, a representative of the ICHL Board (normally the Chairperson) will consult on a confidential basis with the Chairperson of the CCTO.

The consultation will include, without limitation, whether the skills of the incumbent add value to the work of the CCTO or other skills are needed, whether any aspects of Board performance need to be assessed, whether the process offers an opportunity to increase the diversity of the Board, the director's length of tenure, and / or succession planning

The Director Appointments Committee will consider the information obtained and, taking into account the Director's length of tenure (see below), form a view on the appropriateness of reappointment or making a replacement appointment. This will form the basis of a report to Council on whether or not to recommend re-appointment.

Board members should not be given any expectation that they will be automatically offered a subsequent term of office automatically.

The final decision on reappointment will be made by Council.

Length of Tenure

The Council recognises the additional value that experience brings to its CCO's, and the potentially limited pool of suitable candidates available in the region, and accordingly there is no limit on the maximum tenure of a Director. However, Council also recognises the importance of fresh ideas and perspectives to a Board, and the need to reassess composition regularly.

CCTO Directors will normally be appointed initially for periods of up to three years. Subject to a review of the Director's performance after each three year period, a Director may be reappointed for subsequent periods.

Directors will be appointed for terms of 1, 2, 3 or 4 years so as to avoid all the Board positions becoming vacant at the same time.

Chairpersons of CCTOs

It is the responsibility of the Board of each CCTO to appoint its own Chairperson subject to the CCTO Board consulting with ICHL on the person to be so appointed, and where ICHL considers it appropriate, it will give its view on who it considers to be the appropriate person to fill the Chairperson's position but the decision of the CCTO Board shall be final.

Remuneration of CCTO Directors

ICHL has been charged with monitoring and, where appropriate, approving changes in remuneration levels for the Boards of CCTOs.

Periodically ICHL will review the level of remuneration made available to the Boards of the CCTOs in accordance with this Policy.

The fees will be reviewed on an overall basis for each CCTO, leaving the Board of that CCTO to apportion the fee between Board members as it sees fit. Under exceptional circumstances, ICHL may approve an application from a CCTO for additional fees, for a special project.

In performing its review of remuneration, ICHL will take account of the following additional factors:

- (a) The need to attract and retain appropriately qualified Directors.
- (b) The levels of remuneration paid to comparable companies in New Zealand.
- (c) The performance of the CCTO and any changes in the nature of its business.
- (d) Any other relevant factors.

In general, it is intended that Boards of CCTOs will receive a level of remuneration that is competitive with the general market, while recognising that there will be differences from time to time, particularly in the period between reviews. Professional advice will be sought where necessary.

Council Directors will be entitled to receive normal Directors' fees (unless otherwise stated) due to this policy being based on all appointments being based on merit and Directors being appointed to act in the interests of the company and not as representatives. It is considered that all Directors on any Board should be treated equally in recognition of the responsibility taken on by all Directors to act in the interest of the company they serve. However, in the event of an ICHL staff member being appointed to a CCTO Board, the fees for that appointee shall either not be paid or be paid to the Council or ICHL, unless there are special circumstances. This reflects the employee being appointed as part of their existing position.

The Council also supports the payment by CCTOs of Directors' liability insurance and the indemnification of all Directors.

SECTION 5: COUNCIL-CONTROLLED ORGANISATIONS

Introduction

The Council has an interest in CCOs which are not trading organisations. These are not-for-profit bodies and, in contrast with the section that deals with CCTOs, ICHL has no involvement in monitoring or the Director/Trustee appointment process.

Appointments to a CCO are generally for a three year term, and are made after the triennial Council elections.

Identification of Required Skills, Knowledge and Experience of CCO Directors, and Appointment

The Council will determine the required skills, knowledge and experience for each appointment to these Council-controlled organisations and make its appointments accordingly.

In general, the attributes required for Directors of CCTOs, as outlined in Schedule 1, will be applicable, but the weightings given to each attribute may vary according to the nature of the appointment.

In most cases, Councillors will be the appointees, but there may be instances where it is appropriate to appoint external Directors or Council staff.

Remuneration of CCO Directors

After each triennial Council election, the Council will determine whether there are any CCOs that may more properly be classified as CCTOs for the purposes of determining an appropriate level of remuneration. If any CCOs are so classified, the remuneration of their Boards will be determined by ICHL in accordance with the policy for CCTOs set out above.

In all other cases, CCO Directors appointed by the Council will receive the remuneration (if any) offered by that body. Council staff members appointed to such bodies will not accept any remuneration.

SECTION 6: COUNCIL ORGANISATIONS

Introduction

The Council has non-controlling interests in numerous COs. These are not-for-profit bodies and, in contrast with CCTOs, ICHL has no involvement in monitoring or the Director/Trustee appointment process.

Appointments to COs are made for a number of reasons. These include:

- (a) To provide a means of monitoring where the Council has made a grant to that body.
- (b) To enable Council involvement where the CO's activity is relevant to the Council.
- (c) To satisfy a request from the CO that the Council appoint a representative.
- (d) Statutory requirements.

Appointments to a CO are generally for a three year term, and are made after the triennial Council elections.

The Council will endeavour to minimise the number of appointments where the benefit to the Council of such an appointment is minimal.

Skills, Knowledge and Experience

The range of reasons for the appointment of Council representatives to COs results in a wider range of desired attributes for appointees to these bodies.

The Council will determine the required skills, knowledge and experience for each appointment. Candidates are not restricted to Councils – in some cases, it may be more appropriate to appoint Council staff or external people with affiliations to the Council.

Remuneration of CO Directors

CO Directors appointed by the Council (or Community Boards) will receive the remuneration (if any) offered by that body. Council staff members appointed to such bodies will not accept any remuneration.

Schedule 1

Core Competencies
All directors should demonstrate and continue to develop the following attributes: <ul style="list-style-type: none">• Sound judgement and decision-making• Commercial acumen• Public service ethos• High personal integrity• Clear communication• Effective teamwork and collaboration• Strategic thinking• Risk management understanding• Corporate citizenship• Understanding the wider interests of the publicly accountable shareholder.
Board Competencies
Collectively the Board should demonstrate and continue to develop the following skills: <ul style="list-style-type: none">• Accounting / Finance• Law• Risk Management• Marketing and Communications• Information Technology• Senior Management Experience• Industry knowledge• Sector knowledge

Schedule 2

<p>Step 1 – Identify Potential Candidates</p> <ul style="list-style-type: none"> • Appointments Committee to convene • Develop competency matrix • Confirm position descriptions • Decide how applicants will be identified (in accordance with this Policy)
<p>Step 2 – Seek Applications</p> <ul style="list-style-type: none"> • Liaise with potential applicants • Provide position descriptions and competency matrix
<p>Step 3 – Review Applications</p> <ul style="list-style-type: none"> • Screen CVs • Prepare a complete list of long-list applicants
<p>Step 4 – Identify shortlist</p> <ul style="list-style-type: none"> • Appointments Committee to create a short list from applicants • Shortlisted candidates to declare potential conflicts of interest • Unsuccessful applicants advised
<p>Step 5 – Interview Process</p> <ul style="list-style-type: none"> • Appointments Committee undertake interviews with shortlisted candidates • Appointments Committee selects preferred candidate/s
<p>Step 6 – Council Consideration</p> <ul style="list-style-type: none"> • Council to consider in a public excluded session of Council recommended appointees • Council to decide on preferred candidate
<p>Step 7 – Offer of Appointment</p> <ul style="list-style-type: none"> • Preferred candidate to sign letter of appointment • Unsuccessful candidates advised • Council and Council Organisation to jointly announce appointment.

TO: COUNCIL
FROM: E HARRIS MITCHELL – COMMUNICATIONS MANAGER
MEETING DATE: TUESDAY, 18 SEPTEMBER 2018

CHINESE SISTER CITY AWARD AND INVITATION

SUMMARY

Invercargill is the 2018 recipient of an award by two Chinese sister cities organisations. His Worship the Mayor has been invited to lead a delegation to Wuhan, China to receive the award and to visit Invercargill’s sister city, Suqian.
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RECOMMENDATIONS

That His Worship the Mayor and the Chief Executive attend the sister cities conference in Wuhan and visit Invercargill’s sister city, Suqian.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> No.
2.	<i>Is a budget amendment required?</i> No.
3.	<i>Is this matter significant in terms of Council’s Policy on Significance?</i> No.
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> None.
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> Not applicable.
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> No.

FINANCIAL IMPLICATIONS

This would be funded via the Mayor’s and Chief Executive’s budgets. An indicative budget will be presented at Council.

SISTER CITIES AWARD AND INVITATION

Invercargill is the 2018 recipient of an award by two prominent Chinese organisations for its contribution to its sister city relationship with Suqian.

An email on Wednesday 12 September from the Foreign Affairs Office in Suqian advised that Invercargill has been named as recipient of the China International Friendly City Award for Exchange and Co-operation. This award honours foreign friendly cities that have made outstanding contributions to exchanges and co-operation between friendly cities in various fields.

The award has been conferred by the Chinese People's Association for Friendship with Foreign Countries (CPAFFC) and China International Friendship Cities Association (CIFCA). Representatives of the CPAFFC were in Invercargill in May 2017 to attend the Sister Cities New Zealand national conference, hosted by the Invercargill City Council.

The email from Suqian included a letter from the President of the CPAFFC and CIFCA and the Mayor of Wuhan City to Mayor Tim Shadbolt. **Appendix 1.**

The letter has invited Mr Shadbolt to lead a delegation to the 2018 International Friendship Cities Conference in Wuhan, China from 14-16 November, where the award ceremony will take place.

The Suqian Municipal People's Government has also invited him to visit Suqian at the same time.

In advising Invercargill of the award, Suqian Foreign Affairs representative Wang Xiaohui made the following comments: "Since Suqian and Invercargill became sister cities in 2013, we have kept close contacts. We have successfully cooperated in the fields of education, sports, trade and culture. This award not only honours Invercargill, but is also recognition for our cooperation, and encouragement for the next exchange and further cooperation."

SUQIAN

In 2017 Deputy Mayor Rebecca Amundsen led a delegation of Councillors, Chief Executive Richard King and Venture Southland Chief Executive Paul Casson and former President of the Chamber of Commerce Carla Forbes to Suqian where a Memorandum of Understanding was signed. They were accompanied by Communications Manager Eirwen Harris Mitchell who completed a five week staff exchange.

Since then there has been a significant change in leadership at a high level in both cities, as Mr King has retired and Mayor Wang has been promoted to the provincial government.

While Suqian has sent staff on exchange to Invercargill in 2017 and 2018, this year Invercargill decided not to send a staff member to Suqian. Suqian has expressed disappointment over this decision.

Suqian is aware of the appointment of a new Chief Executive. The city's leadership is keen to meet Mrs Hadley and to have His Worship visit in person.

CONCLUSION

The invitation for His Worship to attend the sister cities conference in Wuhan to accept this award, and then to visit Suqian and meet the new Mayor, would show respect and commitment at a high level to the sister city relationship. Further, it would be beneficial for the relationship for the Chief Executive to accompany him and be introduced to the leadership in Suqian. This would re-strengthen the high-level links, in the aftermath of Mr King's retirement and Mayor Wang's relocation.

INVITATION

China International Friendship Cities Conference 2018

Dear Mayor Tim Shadbolt,

The *China International Friendship Cities Conference 2018* will be held this November from 14th to 16th in Wuhan. The Chinese People's Association for Friendship with Foreign Countries (CPAFFC) China International Friendship Cities Association (CIFCA) and Wuhan Municipal People's Government would like to extend cordial greetings to China's friendship cities across the world international friendship cities organizations, member cities of United Cities and Local Governments (UCLG) as well as leaders of local governments and sincerely invite you and your delegations to visit Wuhan and attend the Conference.

Wuhan is situated at the confluence of the world's third-longest river, the Yangtze River and its longest tributary, the Han River. Thanks to its favorable geographic location, this capital city of China's Hubei Province is the central city in the central part of China, and the economic and geographic center across the country. It enjoys the reputation of "River City", "City with 100 Lakes" and "Thoroughfare to Nine Provinces". Wuhan is also an important industrial base, science and education center, transport

hub of China, as well as the focal point of national strategies including the Belt and Road Initiative, the Yangtze River Economic Belt and the Rise of Central China Plan, playing a unique and significant role in China's regional development as well as reform and opening-up.

Under the theme of "Sharing Development Opportunities and Deepening Win-Win Cooperation", the Conference will gather delegates from local governments and international organizations across the world, and discuss how to build modern, international and eco-friendly cities and share advanced experiences on promoting common prosperity and development for our friendship cities.

We look forward to meeting you in Wuhan in November to renew friendship and discuss development.

Kind Regards.

Li Xiao lin

President

CPAFFC&CIFCA

Wan Yong Mayor

Wuhan Municipal People's Government

Agenda

November 14 (Wednesday)

Full day Registration

18:00-20:00 Buffet Dinner

November 15 Thursday

09:00-10:15 Opening Ceremony

10:15-10:30 Tea Break

10:30-11:45 Investment Promotion Conference for International
Friendship Cities

12:00-13:30 Buffet Lunch

13:30-14:30 Top Talks of Cities

14:30-15:30 Theme Forum 1: Modernization-Promoting Urban
Transformation and Upgrading

15:30-15:45 Tea Break

15:45-16:45 Theme Forum 2: Internationalization-Enhancing
Urban International Competitiveness

16:45-17:45 Theme Forum 3: Ecologicalization-Driving
Sustainable Urban Development

18:00-19:30 Welcome Banquet Jointly Hosted by the Chinese
People's Association for Friendship with Foreign Countries and
Wuhan Municipal Government

20:00-21:30 Acrobatic Show

November 16 (Friday)

09:00-09:05 Address by Honored Guests

09:05-09:30 Signing Ceremony of New Friendship Cities & Cooperation Agreements

09:30-10:00 Friendship City Awards Ceremony

10:00-11:00 Experience Sharing by Awards Winners

11:00-11:10 Announcement of Wuhan Declaration

11:10-11:25 Closing Remarks by the leader of the Chinese People's Association for Friendship with Foreign Countries

11:25-11:30 Handover Ceremony of the Emblem of International Friendship Cities Conference

11:30-11:40 Promotion by Next Host City

11:45-13:15 Buffet Lunch

13:15-18:00 City Tour or departure

November 17 (Saturday)

Full-day Departure