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## **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 24 September 2019 at 4.00 pm**

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

## **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.

# AGENDA

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2. <b>APOLOGIES</b>	
3. <b>PUBLIC FORUM</b>	
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14. **MINUTES OF THE INFRASTRUCTURE AND SERVICES COMMITTEE HELD ON 16 SEPTEMBER 2019** **45**

**RECOMMENDED RESOLUTION**

14.1 **FUTURE STATE OF THE THREE WATERS SYSTEM – REGULATION AND SERVICE DELIVERY**

That Council:

**Approves:** that Council continues to receive updates in respect to regulation; service delivery arrangements; economic regulation; and oversight and stewardship, as it relates to the three waters provision;

AND

That Clarity continues to be sought in regard to any change to Council's responsibilities resultant from the Central Government review of the 3 Waters.

14.2 **Roading Procurement Strategy**

That Council:

**Approves:** that Council adopts the Roding Activity Procurement Strategy (Financial Assisted Land Transport Activities) 2019-2022.

14.3 **TEMPORARY ROAD CLOSURES**

That Council:

**Approves:** that Council agrees that the proposed events as listed in the report will not impede traffic unreasonably;

AND

As permitted under the Local Government Act 1974 (Section 342 and Schedule 10) Council approves the temporary closure of roads for the events included in the document attached (A2764761).

14.4 **BYLAW 2015/2 PARKING CONTROL AMENDMENT**

That Council:

**Approves:** that Council resolves in accordance with Clause 5.1(d) of Bylaw 2015/2 – Parking Control that the Parking Drawings Pages 15, 26, 29, 31 and 41 as per Appendix 1 (A2757288) attached, be adopted and supersedes the previous plans.

14.5 **BRANXHOLME PIPE LINE REPLACEMENT**

That Council:

**Approves:** that Council accepts the route Option C, i.e. that through Donovan and Myers Reserves and Kelvin Street around Queens Park;

AND

That Council notes that a decision to take Option C is inconsistent with the Donovan and Myers Reserve Management Plans to exclude new utility infrastructure;

AND

That Council acknowledges that it does not wish to change the Reserve Management Plans to allow new utility infrastructure outside of this process;

AND

That Council grant its approval to enter into the processes of design, procurement and installation of replacement of the 600mm diameter Class A section of the original Branhholme pipeline.

15.	<b>MINUTES OF THE FINANCE AND POLICY COMMITTEE HELD ON 17 SEPTEMBER 2019</b>	<b>51</b>
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19.	<b>FINANCIAL RESERVES REVIEW</b>	
	To be circulated separately.	
20.	<b>MAYOR'S REPORT</b>	
	To be tabled.	

21. **URGENT BUSINESS**

22. **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 of Council 12 August 2019.*
- (b) *Confirmation of Minutes of the Re-Convened Public Excluded Session of Council 13 August 2019.*
- (c) *Confirmation of Minutes of the Re-Convened Public Excluded Session of Council 14 August 2019.*
- (d) *Confirmation of Minutes of the Public Excluded Session of the Extraordinary Council Meeting – 27 August 2019.*
- (e) *Receiving of Minutes of the Public Excluded Session of the Infrastructure and Services Committee – 16 September 2019.*
- (f) *Receiving of Minutes of the Public Excluded Session of the Risk and Assurance Committee – 6 September 2019.*
- (g) *Receiving of Minutes of the Public Excluded Session of the Chief Executive's Performance Appraisal Committee held on 27 August 2019.*
- (h) *Great South – Draft Statement of Intent.*
- (i) *Disposal of Land – Part Bluff Hill.*
- (j) *Southland Museum and Art Gallery 'Reinventing the Southland Museum'.*
- (k) *Southland Regional Development Agency – Asset Transfer.*
- (l) *Director Appointments.*
- (m) *Update City Block Development*
- (n) *Code of Conduct Review – Update*

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:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
(a) Confirming of Council Minutes – 12 August 2019	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	<b>Section 7(2)(i)</b>
(b) Confirming of Re-Convened Council Minutes - 13 August 2019	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and	<b>Section 7(2)(i)</b>

	industrial negotiations)	
(c) Confirming of Re-Convened Council Minutes - 14 August 2019	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	<b>Section 7(2)(i)</b>
(d) Confirming of Extraordinary Council Minutes – 27 August 2019	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	<b>Section 7(2)(i)</b>
(e) Receiving of the Infrastructure and Services Minutes – 16 September 2019	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	<b>Section 7(2)(i)</b>
(f) Receiving of the Risk and Assurance Committee Minutes – 6 September 2019	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	<b>Section 7(2)(i)</b>
(g) Receiving of the Chief Executive's Performance Appraisal Committee Minutes – 27 August 2019	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	<b>Section 7(2)(i)</b>
(h) Great South – Draft Statement of Intent	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	<b>Section 7(2)(i)</b>
(i) Disposal of Land – Part Bluff Hill	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	<b>Section 7(2)(i)</b>
(j) Southland Museum and Art Gallery 'Reinventing the Southland Museum'	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	<b>Section 7(2)(i)</b>

(k)	Southland Regional Development Agency – Asset Transfer	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	<b>Section 7(2)(i)</b>
(l)	Director Appointments	Protect the privacy of natural persons, including that of deceased natural persons	<b>Section 7(2)(a)</b>
(m)	Update City Block Development	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	<b>Section 7(2)(i)</b>
(n)	Code of Conduct	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	<b>Section 7(2)(i)</b>

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**INVERCARGILL CITY COUNCIL ELECTED MEMBERS  
INTEREST REGISTER**

A2279220

<b>ELECTED MEMBERS</b>			
<b>NAME</b>	<b>ENTITY</b>	<b>INTERESTS</b>	<b>PROPERTY</b>
<b>RONALD LINDSAY ABBOTT</b>	Invercargill City Council Kiwi-Pie Radio 88FM Invercargill Invercargill Art Gallery Invercargill Venues and Events Management	Councillor Director / Broadcaster Council Representative / Board Member Director	
<b>REBECCA RAE AMUNDSEN</b>	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**

A2279220

<b>ALLAN JAMES ARNOLD</b>	Invercargill City Council Ziff's Café Bar Ltd Buster Crabb Ltd Ziff's Tour Ltd Ziff's HR Ltd Ziff's Trust NZMCA Southland Aero Club Invercargill Club Invercargill East Rotary Southland Aero Club	Councillor Executive Director Executive Director Executive Director Executive Director Trustee Administrator Member Member Member Member Committee Member	
<b>KAREN FRANCES ARNOLD</b>	Invercargill City Council Funding Scheme	Councillor Trustee/Chair	
<b>TONI MARIE BIDDLE</b>	Invercargill City Council Invercargill Venue and Events Management Limited Southland Museum and Art Gallery Trust Board McIntyre and Dick Waihopai Runaka	Councillor Director Trustee Husband (Kris MacLellan) – Chief Executive Officer As a contractor	

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS  
INTEREST REGISTER**

A2279220

<b>ALEX HOLLY CRACKETT</b>	Invercargill City Council Ride Southland Southland Youth Futures Advisory Board Venture Southland and Sub Committee Sport Southland McIntyre Dick	Councillor Chair Chair  Council Representative  Trustee Marketing Manager	High Street Invercargill
<b>IRWIN LLOYD ESLER</b>	Invercargill City Council Bluff Community Board Bluff Maritime Museum Otatara Landcare Group	Councillor Council Representative Council Representative Member	
<b>GRAHAM DAVID LEWIS</b>	Invercargill City Council Invercargill City Holdings Limited Southland Indoor Leisure Centre Charitable Trust Bluff 2024 Rejuvenation Invercargill Community Recreation & Sports Trust Hospice Southland Invercargill City Properties	Councillor Director Trustee  Officer Trustee  Trustee Director	

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS  
INTEREST REGISTER**

A2279220

<b>DARREN JAMES LUDLOW</b>	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 Invercargill Community Recreation and Sport Trust Invercargill City Properties	Councillor Manager Director Director / Chairman  Trustee  Board Member Board Member Board Member Trustee  Director	770 Queens Drive Invercargill
<b>IAN REAY POTTINGER</b>	Invercargill City Council Southland Electronics Limited Santa Parade Organiser	Councillor Director Alice Pottinger (Wife)	171 Terrace Street Invercargill 9810
<b>TIMOTHY RICHARD SHADBOLT</b>	Invercargill City Council Invercargill Airport Limited Kiwi Speakers Limited SIT Ambassador	Mayor Director Director Contractor	

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS  
INTEREST REGISTER**

A2279220

<b>LESLEY FRANCES SOPER</b>	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 Southland Warm Homes Trust	Councillor Chair Secretary/Treasurer Member Chair/Trustee Board Member Board Member Employee Council Representative	137 Morton Street Strathern Invercargill  24 Margaret Street Richmond Invercargill
<b>LINDSAY STEWART THOMAS</b>	Invercargill City Council Invercargill City Holdings Limited HWCP Management Limited	Councillor Director Director	

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS  
INTEREST REGISTER**

A2279220

<b>EXECUTIVE STAFF</b>			
<b>NAME</b>	<b>ENTITY</b>	<b>INTERESTS</b>	<b>PROPERTY</b>
<b>PAMELA GARE</b>	Invercargill City Council  DJ & PM Gare Family Trust	Group Manager - Environmental and Planning Services  Trustee	
<b>CLARE HADLEY</b>	Invercargill City Council  Hadley Family Trust	Chief Executive  Trustee	
<b>CAMERON MCINTOSH</b>	Invercargill City Council	Group Manager - Works and Services	
<b>DAVID FOSTER</b>	Invercargill City Council	Acting Group Manager - Finance and Corporate Services  Executive Director Foster and Associates Ltd	

**TO: COUNCIL**

**FROM: MARY NAPPER, COMMUNITY DEVELOPMENT MANAGER**

**MEETING DATE: TUESDAY 24 SEPTEMBER 2019**

<b>INVERCARGILL YOUTH COUNCIL</b>
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**SUMMARY**

The Invercargill Youth Council will be presenting on the 2019 Youth Council Year.
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**RECOMMENDATIONS**

**That report Invercargill Youth Council be received.**

**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> N/A
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> N/A
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> Yes

**FINANCIAL IMPLICATIONS**

No implications.

**THE 2019 YOUTH COUNCIL**

The Invercargill Youth Council will continue to meet during October with their final meeting being held on 23 October 2019. The Chairpersons will attend this Council meeting on 24 September 2019 to report on the year to date and the recruitment process for 2020.

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A2756198

**MINUTES OF THE MEETING OF THE INVERCARGILL CITY COUNCIL HELD IN THE COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING, 101 ESK STREET, INVERCARGILL, ON MONDAY 12 AUGUST 2019 AT 3.00 PM**

**PRESENT:** Sir T R Shadbolt, KNZM 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

**IN ATTENDANCE:** Mrs C Hadley – Chief Executive  
Mr C A McIntosh – Group Manager - Works and Services  
Mrs P Gare – Group Manager - Environmental and Planning Services  
Mr D Foster – Interim Group Manager - Finance  
Mr R Pearson – Roading Manager  
Mr A Cameron – Executive Officer  
Ms H McLeod – Communications Advisor  
Ms L Kuresa – Governance Officer

**2. APOLOGIES**

Cr R L Abbott for lateness.

Moved His Worship the Mayor, seconded Cr Soper and **RESOLVED** that the apology be accepted.

**3. PUBLIC FORUM**

**3.1 City Block Development**

Mr Bob Simpson was in attendance to speak to this item.

Mr Simpson tabled a copy of his presentation and took the meeting through it.

His Worship the Mayor thanked Mr Simpson for taking the time to present to Council.

**3.2 Living Dinosaurs Project**

Dr Ini-Isabee Gunn was in attendance to speak to this item.

Dr Gunn referred to the Living Dinosaurs Project, which the Council had chosen to defer, and said that Invercargill could miss out on this project.



The risk for Invercargill was real because the Department of Conservation needed a facility for its very successful breeding programme. The Department of Conservation could take that project elsewhere if Invercargill. This project was good for the community, economy and would bring more tourism to Invercargill, which would help businesses thrive in Southland. Invercargill could have one of a kind project that no other city had, but there was risk of losing it by deferring it.

In response to a question as to what line of business in the tourism industry that Dr Gunn and her husband were looking at, Dr Gunn said it was about bringing young people wanting to experience the New Zealand lifestyle and enjoy some of the wild life here in Southland. They were looking at building accommodation on their land to house people and offer them custom-designed experiences to enjoy the real New Zealand.

His Worship the Mayor thanked Dr Gunn for taking the time to present to Council.

**Note:** Cr Abbott joined the meeting 3.24 pm.

4. **INTEREST REGISTER**

Cr Thomas declared a conflict of interest with regard to the HWCP discussions around the City Block Development and would be leaving the table.

Cr Lewis informed the meeting that he was unable to attend the two-day Submissions Hearing for the City Block Development due to unforeseen circumstances, but he had since listened to the audio recordings of these meetings.

Cr Biddle said that it was brought to her attention prior to the meeting that her husband was the Chief Executive Officer of McIntyre Dick Partners. She believed that firm may represent a director in the City Centre Block, but felt that was not a conflict of interest.

Cr Crackett said she was an employee at McIntyre Dick Partners and she did not have a conflict of interest in relation to the City Centre Block item.

5. **REPORT OF THE INVERCARGILL YOUTH COUNCIL**

Tane Froude took the meeting through the report.

Moved Cr Crackett, seconded Cr Ludlow and **RESOLVED** that the report be received.

6. **RECEIPT OF MAJOR LATE ITEM – CITY BLOCK DEVELOPMENT DUE DILIGENCE – ADDITIONAL MATERIAL**

Moved Cr Amundsen, seconded Cr Biddle and **RESOLVED** that the City Block Development Due Diligence report be received as a major late item.

7. **VISIT TO OTHER CITIES TO INVESTIGATE IMPACT OF DESIGN PRINCIPLES IN CBD DEVELOPMENT**

Cr Soper and Cr Crackett took the meeting through the report.

Moved Cr Soper, seconded Cr Crackett and **RESOLVED** that the report be received;

AND THAT

Council takes the time and invests in the targeted planning to ensure that any decisions taken now on CBD revitalisation caters for the world of 2050, as well as today.

**Note:** Cr Thomas left the meeting at 4.15 pm.

8. **CITY BLOCK URBAN DESIGN REVIEW**

Mr Pearson took the meeting through a power point presentation.

Mr Mike Cullen and Mr Stuart Niven were in attendance to speak to this item and they took the meeting through their review via power point presentation.

Mr Cullen and Mr Niven answered questions for clarity.

Mrs Hadley clarified that the design was as per HWCP presented, Mr Cullen and Mr Niven had presented the design with some changes, which were subject to negotiations.

His Worship the Mayor thanked Mr Cullen and Mr Niven for their presentation to Council on this important matter.

9. **CITY BLOCK DEVELOPMENT DUE DILIGENCE**

Mrs Hadley took the meeting through a power point presentation.

**Note:** Cr Pottinger excused himself from the meeting at 4.58 pm and re-joined the meeting at 5.08 pm.

In response to a question, Mr Cameron explained that the Long-term Plan was set with goodwill and good intention around anticipated time, which Council could achieve certain outcomes and carry out certain projects or developments. With any large project there was a whole body of work that needed to be completed before that project could start. The understanding of Council at this stage was that projects identified in the Long-term Plan could all be completed, but where there had been a place holder put into those projects, there were other factors around the design or other criteria that were necessary to put in place before that project could commence that could be completed or not completed within that time.

In response to a question, Mr Cameron explained that Council may decide not to engage in a project that was currently in the Long-term Plan, but it would not because of the funding allocated to this project.

In response to a question, Mr Foster explained that as the process progressed there had been a number of elements where Council work had taken the private investors by surprise. Council put a lot more emphasis on process and thinking about property because Council was investing other people's money. Those things had made the private investors aware of the true nature of the public sector versus the private sector. There would always be a tension between the public sector and private sector.

In response to a question, Mr Cameron explained that because it was stages one to six as opposed to stages one to three it was a better development overall because foot traffic was the driver of the success of stages one to three. Having developments that drive foot traffic and create a need for people to come into the city other than for stages one to three, would make those stages succeed.

In response to a question, Mr Foster explained that given that Council had consulted with the community on a 3.14% rates increase, it was not a significant rates increase. With all the other projects coming into the mix of it, the number was still around the same figure.

After further questions and discussions, it was agreed that Council would take a ten minute break and then come back into Public Excluded Session to consider the financials before Council could consider the recommendations on this report in public at tomorrow's meeting.

#### 10. COUNCIL IN PUBLIC EXCLUDED SESSION

Moved Cr Soper, seconded Cr Abbott and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, namely:

(a) *City Block Development Due Diligence – Financials.*

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) City Block Development Due Diligence – Financials	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	Section 7(2)(i)

The meeting moved back into public meeting at 6.48 pm.

**Note:**      **The meeting adjourned at 6.48 pm.**

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**MINUTES OF THE RE-CONVENED MEETING OF THE INVERCARGILL CITY COUNCIL  
HELD IN THE COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION  
BUILDING, 101 ESK STREET, INVERCARGILL, ON TUESDAY 13 AUGUST 2019  
AT 3.00 PM**

**PRESENT:** Sir T R Shadbolt, KNZM 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

**IN ATTENDANCE:** Mrs C Hadley – Chief Executive  
Mr C McIntosh – Group Manager - Works and Services  
Mrs P Gare – Group Manager - Environmental and Planning Services  
Mr D Foster – Interim Group Manager - Finance  
Mr R Pearson – Roading Manager  
Mr A Cameron – Executive Officer  
Ms H McLeod – Communications Advisor  
Ms M Brook - Manager Strategy and Policy  
Ms L Kuresa – Governance Officer

**Note:** The meeting re-convened at 3.05 pm.

**1. PROCEEDINGS FOR TODAY'S RE-CONVENED MEETING**

Mrs Hadley took the meeting through the recommendations for further clarity.

Cr Crackett informed the meeting that one of the shareholders involved in this project had contributed a minor amount to her campaign during the last elections. She had no relationship with this individual any greater than she had with any other potential shareholder. She did not believe she was conflicted.

In response to a question, Mrs Hadley explained that councillors needed to not get too fixated on the individual recommendations at the moment, but she wanted to make Council aware that she was presenting the recommendations so that Council was aware of them.

In response to a question, Mrs Hadley explained that Council ended last night in public excluded and then came back into public having discussed the financial report as part of the City Block Development Due Diligence. Having had the opportunity to look at the information distributed at last night's meeting, shed asked if Council wanted to go back into public excluded session for any further questions in relation to the Deloitte report.

Cr Biddle requested that Council moved into public excluded session to go through the report with Mr Cameron.

**Note:** Cr Thomas continued his declaration of a conflict of interest and left the meeting at 3.15 pm.

## 2. PUBLIC EXCLUDED SESSION

Moved Cr Crackett, seconded Cr Biddle and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, namely:

(a) *City Block Development Due Diligence – Financials.*

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) City Block Development Due Diligence - Financials	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	<b>Section 7(2)(i)</b>

**Note:** The meeting moved back into open meeting at 4.17 pm.

**Note:** Councillors Crackett and A Arnold left the meeting at 4.16 pm and returned at 4.18 pm.

## 3. CITY BLOCK DEVELOPMENT DUE DILIGENCE

The recommendations were set out on the screen for councillors' information.

Council agreed that the first resolution would be dealt with first and the rest of the recommendations would be moved as a block.

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

Moved Cr Soper, seconded Cr Crackett that Council determine that a redevelopment of the inner city is likely to achieve the objective of the Invercargill City District Plan as set out in the Business 1 (Central Business District) Zone of maintenance and enhancement of the primacy of the Invercargill Central Business District as the primary centre for retailing, business, culture, entertainment, education and social services for Invercargill City and the wider Southland region;

AND THAT

Council's investment in Invercargill Central Limited is consistent with the criteria for investment in property established by its Investment Policy;

AND THAT

Council has not been active in the development of the proposal for the inner city and this has resulted in constraints to fully align community wellbeing outcomes with the commercial objectives of the public private partnership;

AND THAT

Council has, as part of its deliberations, acknowledged its desire for achievement of community wellbeing outcomes by allocating sufficient funds to the surrounding streetscape;

AND THAT

Council acknowledges the cost of the investment reflects the lower commercial returns from a development of this type and the barrier this creates to completion of projects by the private sector alone;

AND THAT

Council can expect the return on investment will exceed the cost of borrowing, and Council cannot be certain it will receive a dividend/cash flow to fund that borrowing before 2029;

AND THAT

Council can be satisfied that the steps taken to date to identify the significant risks to the project, and mitigate the impact if those risks are realised, are prudent;

AND THAT

Council should take this information into account when deliberating on submissions on its proposed investment.

Cr K Arnold congratulated all Council staff and advisors for the quality and quantity of information that Council had received during this process.

She supported the recommendations and believed that Council had enough checks and balances in place, and the right people in place to make this happen for the city.

In response to a question, Mrs Hadley explained it was the funding referred to as the streetscape that had been estimated in its preliminary estimates of around \$20 million.

In response to a question, Mrs Hadley explained that funding for streetscaping was part of the consultation document and \$6 million was provided for in the Long-term Plan and further funding would need to be provided for in future Long-term Plans. It was clearly set out as part of the consultation process.

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

Moved Cr Amundsen, seconded Cr Crackett and **RESOLVED** that the additional material be received.

2. **CITY BLOCK DEVELOPMENT INVESTMENT PROPOSAL**

Ms Brook took the meeting through the report.

Council discussed this report and asked questions for clarity.

Moved Cr Soper, seconded Cr Crackett and **RESOLVED** that the report be received;

AND THAT

Council determine that the community wellbeing outcomes outweigh any inherent risk in investing in the proposal;

AND THAT

Council invest \$25 million in Invercargill Central Limited, relating to stages 1, 2 and 3 of the City Block Development, subject to full and final satisfaction of all conditions determined by the Chief Executive and Brian Wood;

AND THAT

Council use the strategic outcomes identified in the HWCP Strategic Direction report of 6 November 2018 to inform the Chief Executive and Brian Wood in their use of the authority Council delegates to them to invest up to a further \$5M.

AND THAT

This approval gives authority for the Chief Executive and Brian Wood to enter into binding agreements on behalf of Council;

AND THAT

All matters to be reported to Council once completed;

AND THAT

Council develop its own risk register for the project, that it receive updates from Invercargill Central Limited throughout the project's execution, and that it consider the risks and controls in place to manage those on a regular basis;

AND THAT

Council notes that allowance for ongoing professional advice, above that sum which is being invested, will be necessary and ongoing, and the Chief Executive is delegated authority to procure such advice utilising existing budgets in the current financial year.

**Note:** Cr Thomas re-joined the meeting at the table.



3. **MINUTES OF THE MEETING OF COUNCIL HELD ON 27 JUNE 2019**

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

4. **MINUTES OF THE EXTRAORDINARY MEETING OF COUNCIL HELD ON 24 JUNE 2019**

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

5. **MINUTES OF THE EXTRAORDINARY MEETING OF COUNCIL HELD ON 16 JULY 2019 – CITY BLOCK HEARING OF SUBMISIONS**

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

6. **MINUTES OF THE RE-CONVENED EXTRAORDINARY MEETING OF COUNCIL HELD ON 17 JULY 2019 – CITY BLOCK HEARING OF SUBMISIONS**

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

7. **MINUTES OF THE MEETING OF THE BLUFF COMMUNITY BOARD HELD ON 22 JULY 2019**

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

8. **MINUTES OF THE COMMUNITY SERVICES COMMITTEE – 29 JULY 2019**

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

9. **MINUTES OF THE REGULATORY SERVICES COMMITTEE – 30 JULY 2019**

Moved Cr Amundsen, seconded Cr Ludlow and **RESOLVED** that the minutes be received; and that the following recommendations be adopted:

Council approves the payment of the repainting initiative, valued at \$3,650 (incl GST);

AND THAT

Council approves payment of the repainting initiative 174 Dee Street, valued at \$1,000 (incl GST);

AND THAT

Council resolves the payment of the repainting initiative for 170 Dee Street, valued at \$1,750 (incl GST);

AND THAT

Council approves the adoption of the following proposed road name:

- That Area A (Right of Way to provide access and services to seven lots) be named Aadies Way as it is the developer's preferred name and meets Council's naming convention;

AND THAT

Council approves the adoption of the following proposed road names:

- Areas A and B (Right of Way which provides access and services to seven lots) be named Lindsay Way as it meets Council's naming convention.

AND THAT

Council approves the adopted report be advertised for public information and forwarded to the Department of Internal Affairs as required under the Act;

AND THAT

Council approves that:

- 1.1 Council approve the Proposed Invercargill City District Plan pursuant to clause 17 of Schedule 1 of the Resource Management Act 1991; and
- 1.2 That the approved Invercargill City District Plan be publicly notified and becomes an operative District Plan in accordance with Clause 20 of Schedule 1 of the Resource Management Act 1991 on 30 August 2019; and
- 1.3 That Council affix the Council seal to the document confirming approval.

10. **MINUTES OF THE INFRASTRUCTURE AND SERVICES COMMITTEE  
5 AUGUST 2019**

Moved Cr Thomas, seconded Cr Crackett and **RESOLVED** that the minutes be received with an amendment to Cr Crackett's name; and that the following recommendations be adopted:

Council approves to support and conditionally approve the concept of re-development of the BMX track within Elizabeth Park (as shown in Appendix 1), subject to approval of final redevelopment project design by the Parks Manager;

AND THAT

Council support and conditionally approve Southland BMX Club to relinquish their current lease early and development of new lease upon approval of final redevelopment project design to cover the proposed new area;

AND THAT

Council support and conditionally approve public consultation of the Elizabeth Park Management Plan to allow for re-development.

11. **MINUTES OF THE FINANCE AND POLICY COMMITTEE – 4 AUGUST 2019**

Moved Cr Ludlow, seconded Cr Lewis and **RESOLVED** that the minutes be received; and that the following recommendation be adopted:

Council approves that the agreement with the Highlanders Rugby Club Limited partnership and Invercargill Venues and Events Management Limited, be cancelled one year and one game early;

AND THAT

Both parties having agreed to the termination of the contract will act in good faith;

AND THAT

Council notes this will absolve the Invercargill City Council in its capacity of guarantor to the agreement between Invercargill City Council (ICC) and New Zealand Rugby Union Incorporated.

13. **REPORT OF HIS WORSHIP THE MAYOR**

This item was deferred to tomorrow's re-convened Council Meeting.

14. **URGENT BUSINESS**

Nil.

15. **COUNCIL IN PUBLIC EXCLUDED SESSION**

Moved Cr Soper, seconded Cr Crackett and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, namely:

- (a) *Confirming of Minutes of the Public Excluded Session of Council 27 June 2019.*
- (b) *Confirming of Minutes of the Public Excluded Session of the Extraordinary Council Meeting – 24 June 2019.*
- (c) *Receiving of Minutes of the Public Excluded Session Infrastructure and Services Committee – 5 August 2019.*
- (d) *Confirming of Minutes of the Public Excluded Session of the Finance and Policy Committee – 6 August 2019.*
- (e) *Awhi Rito Funding Request.*
- (f) *WasteNet Mediation Terms of Reference*

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:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
(a) Confirming of Minutes – Council 27 June 2019	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	<b>Section 7(2)(i)</b>
(b) Confirming of Extraordinary Council Minutes 24 June 2019	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	<b>Section 7(2)(i)</b>
(c) Receiving of Minutes Infrastructure and Services Committee 5 August 2019	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	<b>Section 7(2)(i)</b>
(d) Receiving of Minutes Finance and Policy Committee 6 August 2019	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	<b>Section 7(2)(i)</b>
(e) Awhi Rito Funding Request	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	<b>Section 7(2)(i)</b>

- |     |   |         |   |                        |
|-----|---|---------|---|------------------------|
| (f) | WasteNet<br>Mediation<br>Terms<br>Reference | -<br>of | Enable any local<br>authority holding the<br>information, to carry on<br>without prejudice or<br>disadvantage, (including<br>commercial and<br>industrial negotiations) | <b>Section 7(2)(i)</b> |
|-----|---|---------|---|------------------------|

**Note:** The meeting adjourned at 5.33 pm.

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**MINUTES OF THE RE-CONVENED MEETING OF THE INVERCARGILL CITY COUNCIL  
HELD IN THE COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION  
BUILDING, 101 ESK STREET, INVERCARGILL, ON WEDNESDAY 14 AUGUST 2019  
AT 4.00 PM**

**PRESENT:** Sir T R Shadbolt, KNZM 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 G D Lewis  
Cr D J Ludlow  
Cr I R Pottinger  
Cr L F Soper

**IN ATTENDANCE:** Mrs C Hadley – Chief Executive  
Mr C A McIntosh – Group Manager - Works and Services  
Mr A Cameron – Executive Officer  
Mr W Cambridge – City Solicitor  
Ms L Kuresa – Governance Officer

2. **APOLOGIES**

Cr I L Esler and Cr L S Thomas.

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

3. **MAYOR'S REPORT**

The report was tabled and His Worship the Mayor took the meeting through it.

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

4. **COUNCIL IN PUBLIC EXCLUDED SESSION**

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

(a) *WasteNet Mediation – Terms of Reference*

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) WasteNet Mediation - Terms of Reference	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	Section 7(2)(i)

There being no further business, the meeting finished at 5.43 pm.

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**MINUTES OF THE EXTRAORDINARY MEETING OF THE INVERCARGILL CITY  
COUNCIL HELD IN THE COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION  
BUILDING, 101 ESK STREET, INVERCARGILL ON WEDNESDAY 21 AUGUST 2019  
AT 4.00 PM**

**PRESENT:** Sir T R Shadbolt, KNZM 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

**IN ATTENDANCE:** Mrs C Hadley – Chief Executive  
Mr C McIntosh – Group Manager - Works and Services  
Mr A Cameron - Executive Officer  
Ms H McLeod – Communications Advisor  
Mr W Cambridge – City Solicitor  
Ms L Kuresa – Governance Officer

**2. POINT OF ORDER**

Cr Pottinger raised a point of order and said that submitted today as additional material was the in committee report by the Chief Executive. Indication of this report was received at 3.25 pm yesterday and when he spoke to the Chief Executive, she informed him that under Section 23.6 of Standing Orders: Allowed revocation or alternation by recommendation in a report, stated that the Chief Executive must give at least two working days-notice of any meeting that would consider revocation, alteration or recommendation. The subject material was only given a day in advance and did not comply with Section 23.6. He objected to the material being tabled for discussion today as it did not comply.

His Worship the Mayor said that when there was a doubt as to whether or not a report was received two clear working days prior to the meeting, he made a ruling under Section 13.4 of Standing Order 23.6, had not been complied with, and the report by the Chief Executive could not be received and considered at this meeting.

Mrs Hadley reminded His Worship the Mayor that there was still the matter from the previous meeting that was left on the table in public excluded session that needed to be dealt with.

In response to a question, His Worship the Mayor confirmed that the meeting was finished.

There being no further business, the meeting finished at 4.11 pm.



**MINUTES OF THE EXTRAORDINARY MEETING OF THE INVERCARGILL CITY  
COUNCIL HELD IN THE COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION  
BUILDING, 101 ESK STREET, INVERCARGILL ON TUESDAY 27 AUGUST 2019  
AT 4.00 PM**

**PRESENT:** Sir T R Shadbolt, KNZM 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

**IN ATTENDANCE:** Mrs C Hadley – Chief Executive  
Mr C McIntosh – Group Manager – Works and Services  
Mr A Cameron – Executive Officer  
Ms L Kuresa – Governance Officer

1. **APOLOGIES**

Nil.

2. **INTEREST REGISTER**

Nil.

3. **PUBLIC EXCLUDED SESSION**

Moved Cr Ludlow, seconded Cr Lewis and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, namely:

- (a) *Terms of Reference for Contract 850.*
- (b) *Update from Mediation.*
- (c) *Renewal of Invercargill City Holdings Limited Bank Facility.*

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:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
(a) Terms of Reference for Contract 850	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	<b>Section 7(2)(i)</b>
(b) Update from Mediation	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	<b>Section 7(2)(i)</b>
(c) Renewal of Invercargill City Holdings Limited Bank Facility	Enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial activities	<b>Section 7(2)(h)</b>

There being no further business, the meeting finished at 4.57 pm.

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**MINUTES OF A MEETING OF THE BLUFF COMMUNITY BOARD HELD IN THE BLUFF  
MUNICIPAL CHAMBERS, GORE STREET, BLUFF ON MONDAY 2 SEPTEMBER 2019  
AT 7.00 PM**

**PRESENT:** Mr R Fife (Chair)  
Mrs P Young  
Mrs W Glassey  
Cr I L Esler

**IN ATTENDANCE:** Cr L F Soper  
Cr A J Arnold  
Mr R Pearson – Roading Manager  
Ms M Frey – Interim Parks and Recreation Manager  
Mrs N Allan – Service Centre Manager  
Ms M Sievwright – Committee Secretary

**2. APOLOGY**

Mrs G Henderson.

Moved Cr Esler, seconded W Glassey and **RESOLVED** that the apology be received.

**3. PUBLIC FORUM**

Nil.

**4. INTEREST REGISTER**

Moved P Young, seconded W Glassey and **RESOLVED** that the Interest Register be approved.

**5. MINUTES OF THE BLUFF COMMUNITY BOARD MEETING HELD ON  
10 JUNE 2019**

Moved P Young, seconded Cr Esler that the minutes be accepted as a true and correct record.

R Fife had received a call from several oystermen who did not agree with the views of John Kirk but were prepared to meet with the Community Board and talk about how they see the future of the oyster industry. Cr Esler said he understood the oyster industry was in a healthy state and recovering.

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

**6. REPORT OF THE BLUFF PUBLICITY/PROMOTIONS OFFICER**

Moved Cr Esler, seconded P Young that the report be received.

A2758970

Mr Beer took the meeting through the report.

**6.1 Burt Munro Challenge Bluff Hill Climb**

The Southland Motorcycle Club were looking for more volunteers to control the growing crowds for the Bluff Hill Climb. The next event would be held on Waitangi weekend next year so hopefully there would be more volunteers available. The Naming Rights Sponsor was being changed and a new sponsor was being investigated. The event was getting bigger and more infrastructure was required therefore costs were escalating.

**6.2 Summer Sounds Bluff**

Two dates were being considered for this event but 19 January 2020 was the preferred date.

**6.3 Up and Over Bluff Hill Grunt**

Numbers were declining and the event had been cancelled but an email had been received requesting this be reconsidered.

**6.4 Bluff Promotions**

Heather Ryan Wills was announced as the new Chairperson of the Bluff Promotions.

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

**7. BLUFF BOAT RAMP**

Moved R Fife, seconded W Glassey and **RESOLVED** that the report "Bluff Boat Ramp Upgrade" be received as a late item.

Mr Pearson said progress had been made with stakeholders. There was further work to be undertaken with Environment Southland on the clean hull working area and with Maritime Museum on car parking. A working group was required to look at a charging regime. As part of the funding arrangement for the boat ramp was a need to raise a loan of \$250,000 which needed to be funded from the users of the ramp.

Mr Fife said users were accepting of a user pays facility and there was a desire to get this done.

**8. BLUFF ACTION SHEET**

Moved Cr Esler, seconded P Young that the report "Bluff Action Sheet" be received.

Mr Pearson took the meeting through the action sheet.

Discussion was held regarding the erosion at the rowing club, which was not getting any worse but would continue to be monitored. Cr Esler said there were two other erosions he had noticed at Omaui and Ocean Beach. Mr Pearson said this was being investigated and mediation would be looked at.

Ms Frey spoke about the Stirling Point Walkway and said as part of the Resource Consent process, an archaeological survey needed to be undertaken before any remedial works could occur.

Further items discussed included:

- The cycle trail was being worked through. A resource consent was required and this would take time.
- Two additional play pieces were going into the playground which was a disability access swing and a surfboard type structure. The picnic table would be concreted and made a permanent fixture.
- The water fountain at the skate park was out for design consideration.
- The issue of vandalism at the Bluff Cemetery had been mentioned and it was suggested gates could be installed but the logistics of this needed to be worked through.

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

9. **CHAIRMAN'S REPORT**

The report was tabled and the Chairman took the meeting through it.

9.1 **New Zealand Aluminium Smelter**

R Fife attended a meeting with the Smelter which was a bi-annual update for community leaders.

9.2 **Bluff Boat Ramp**

This item had been covered previously in the meeting.

9.3 **Last Meeting Prior to Elections**

R Fife said this was the last meeting prior to the elections being held and he acknowledge of the contributions W Glassey and P Young had made to the Community Board over the last six years. He also acknowledged the input and insight Cr Esler had made.

Moved R Fife, seconded Cr Elser and **RESOLVED** that the report be received.

10. **URGENT BUSINESS**

10.1 **St John**

There were four Bluff youths who had received a Grand Prior of the Order of St John and W Glassey asked if the Chair could write a letter of congratulations to them for their achievement. It was a very prestigious award and they had worked hard to achieve it, undertaking many hours of community service and earning 12 badges. One youth had received District Cadet of the Year and was going towards National Cadet of the Year.

Moved W Glassey, seconded Cr Elser and **RESOLVED** that a letter of congratulations be sent from the Chair.

10.2        **Domestic Violence**

P Young had received the Bluff Police Report and was concerned at the level of domestic violence incidences reported. She felt the Police did not give this enough concern. It was an issue in Bluff that needed to be kept at the forefront of people's minds.

10.3        **Thanks**

P Young thanked R Fife for his leadership of the Bluff Community Board, the staff at the Bluff Service Centre, the support from the council staff, Mr Beer for his commitment to Bluff Promotions, and councillors on the Board. It had given her a different view of the community and she wished the new board members all the best for the future.

There being no further business, the meeting finished at 7.54 pm.

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**MINUTES OF THE MEETING OF THE RISK AND ASSURANCE COMMITTEE HELD IN  
THE COUNCIL CHAMBER, CIVIC ADMINISTRATION BUILDING, 101 ESK STREET,  
INVERCARGILL, ON FRIDAY 6 SEPTEMBER 2019 AT 8.30AM**

**PRESENT:** Cr I R Pottinger – Chair  
His Worship the Mayor, Sir T R Shadbolt, KNZM JP  
Cr D J Ludlow  
Cr R R Amundsen  
Cr L S Thomas

**IN ATTENDANCE:** Cr L F Soper  
Cr T M Biddle  
Mr B Robertson – External Advisor  
Mrs C Hadley – Chief Executive  
Mr D Foster – Group Manager of Finance  
Mr C A McIntosh – Group Manager, Works and Services  
Mr A Cameron – Strategic Advisor  
Mr G Mitchell – Manager Health and Safety  
Miss C Keen – Governance and Corporate Administrator

**2. APOLOGIES**

It was noted that Cr Abbott was absent and no apology had been received.

**3. INTEREST REGISTER**

Nil.

**4. CONFIRMATION OF MINUTES OF MEETING HELD 28 MAY 2019**

Moved Cr Amundsen, seconded Cr Ludlow and **RESOLVED** that the minutes be approved as a true and correct record.

**5. HEALTH AND SAFETY UPDATE**

The Health and Safety Update report was taken as read.

Moved Cr Amundsen, seconded Cr Pottinger and **RESOLVED** that the report 'Health and Safety Update' be received.

**6. SENSITIVE EXPENDITURE**

Mrs Hadley raised that it had been highlighted to her by various Councillors that the date stated on statements was not necessarily the date of the travel or the event occurring and in some instances invoices had been grouped together causing confusion. Mrs Hadley would be working with the Group Manager of Finance to rectify this.

Mr Robertson added that as the sensitive expenditure schedule was a public document, helpful descriptions were important for public interpretation and clarity.

Moved Cr Pottinger, seconded Cr Amundsen and **RESOLVED** that the Sensitive Expenditure report be received;

AND THAT

The Risk and Assurance Committee accepts the expenditure identified in the report as compliant with the Sensitive Expenditure Policy;

AND THAT

The report be made publicly available subject to any changes to the format.

**7. COUNCIL INSURANCE**

Mr Foster spoke to the report. Cr Biddle queried how the Council assisted if a staff member were to be killed while on duty. Mrs Hadley confirmed that ACC would have a role to play and Council may have a Health and Safety liability.

Mrs Hadley encouraged the Committee to look over the insurance renewals as a whole as she was particularly keen for the Council to be comfortable with all information supplied and that the right cover was in place.

Mr Robertson queried whether the cyber risk cover amount was adequate. It was suggested that Mr Foster approach the insurer and review the cyber risk insurance cost (including ransom cover).

Moved Cr Ludlow, seconded The Mayor and **RESOLVED** that the Council Insurance report be received;

AND THAT

The Committee endorse the cancellation of insurance policies relating to accidental death and disablement of elected members and staff;

AND THAT

The Committee is satisfied that the insurance programme provides adequate protection for financial consequences of the matters insured for.

**8. WORK PROGRAMME FOR AUDIT MANAGEMENT LETTER ISSUES**

Mrs Hadley noted that Mr Andy Burns had apologised for his absence as Audit Director to this meeting and that Council would align its Risk and Assurance meetings and his availability for future meetings. Mr Burns was comfortable that there was progress occurring in this area.

Moved Cr Pottinger, seconded Cr Amundsen and **RESOLVED** that the report 'Work Programme for Audit Management Letter Issues' be received.



9. **ANNUAL REPORT 2019**

A late tabled item was received in relation to this report. (A2768351).

Mr Foster explained that Council was on target. There were several risks listed around the CCO's and these were being managed with close attention.

There were minor issues around ICFL's valuations, the Board had signed off on these with the valuations as they arrived, and discussions with the valuer were ongoing.

Moved Cr Pottinger, seconded Cr Ludlow and **RESOLVED** that the 'Annual Report 2019 report' be received.

10. **PUBLIC EXCLUDED SESSION**

Mr Robertson declared that he had a conflict of interest in relation to the Health and Safety Matters – Contract 650 as he was an independent member on the Southland District Council Audit and Risk Committee which had considered Contract 850. He believed that his role in decision making with Southland District Council excluded him from participating and he had received no papers in relation to this matter.

Moved Cr Pottinger, seconded Cr Ludlow and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, namely

- (a) *Confirmation of Public Excluded Session Minutes – 28 May 2019*
- (b) *Health and Safety Matters – Contract 650*

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:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
(a) Confirmation of Public Excluded Session Minutes – 28 May 2019	<i>To enable any Local Authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</i>	7(2)(i)
(b) Health and Safety Matters – Contract 650	<i>To enable any Local Authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</i>	7(2)(i)

There being no further business the meeting closed at 9.16 am.

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**MINUTES OF A MEETING OF THE COMMUNITY SERVICES COMMITTEE HELD IN THE  
COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING, 101 ESK  
STREET, INVERCARGILL ON MONDAY 9 SEPTEMBER 2019 AT 4.00 PM**

**PRESENT:** Sir T R Shadbolt, KNZM JP  
Cr R L Abbott (Chair)  
Cr A J Arnold (Deputy Chair)  
Cr T M Biddle  
Cr I L Esler  
Cr G D Lewis  
Cr L F Soper

**IN ATTENDANCE:** Cr R R Amundsen  
Mr C McIntosh – Group Manager - Works and Services  
Mr R Pearson – Manager Roading  
Mr P Thompson – Aquatic Services Manager  
Ms M Napper – Community Development Manager  
Mrs M Foster – Manager Libraries and Archives  
Ms L Kuresa – Governance Officer

**2. APOLOGIES**

Nil.

**3. PUBLIC FORUM**

**3.1 Settlement of Former Refugees in the City**

The Red Cross Pathways to Settlement Team were in attendance to update the Committee on this item. An information paper was tabled and the representatives took the meeting through it. The group talked about how their services assisted refugees to find housing, get into education, employment and settle in Southland.

Cr Soper asked about the housing aspect and refugees staying in Invercargill long term. It was explained that Immigration New Zealand had housing coordinators who work closely with real estate firms in Southland to find housing assets for refugees. There was enough housing throughout Southland but it was a challenge to get good housing.

In response to a question, it was explained that involving children was a healthy thing to do. It helps them to connect with a different culture as this assists in their learning, which was beneficial for those engaging. Southland was becoming more multi-cultural and the benefits of that was seen in the community.

In response to a question, it was explained that all volunteers needed to be 18 years old but people were encouraged to involve their families in what they were doing. There were no youth volunteers at the moment but they were looking at how youth could be incorporated.

The Group thanked Council for its support to the former refugee community as they settled in Invercargill.

Cr Abbott thanked the representatives for taking the time to present to the Committee.

4. **INTEREST REGISTER**

Nil.

5. **MINUTES OF MEETING HELD 29 JULY 2019**

Moved Cr Soper, seconded Cr Biddle that the minutes be approved.

Cr Biddle said that there was discussion after the meeting that the presentation made by Mr Jack Lovett-Hurst was hard to hear due to the meeting being held at Splash Palace. It was suggested that Mr Lovett-Hurst be invited back to speak at a future meeting and asked if that was going to be done. Cr Abbott said he would follow up, but it would need to be after the triennial elections.

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

6. **MANAGERS REPORTS**

Managers were given an opportunity to update the Committee on what was happening within their department's operations.

7. **COMMUNITY DEVELOPMENT REPORT**

Ms Napper took the meeting through the report.

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

Cr Esler said this was his last Community Services Committee meeting and thanked the Committee for its impartial treatment on all the issues put before the Committee. A lot of progress had been made and he thanked staff for their ongoing work.

Cr Abbott wished Cr Esler well and said it had been a privilege to work with a great team. He thanked Mr McIntosh and the Managers/staff for their input and work over the last three years.

There being no further business the meeting closed at 4.35 pm.

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**MINUTES OF A MEETING OF THE INFRASTRUCTURE AND SERVICES COMMITTEE  
HELD IN THE COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION  
BUILDING, 101 ESK STREET, INVERCARGILL ON MONDAY 16 SEPTEMBER 2019  
AT 4.00 PM**

**PRESENT:** Sir T R Shadbolt, KNZM JP  
Cr L S Thomas – Chairperson  
Cr I R Pottinger – Deputy Chairperson  
Cr A J Arnold  
Cr K F Arnold  
Cr A H Crackett  
Cr I L Esler

**IN ATTENDANCE:** Mr C McIntosh – Group Manager - Works and Services  
Mr R Pearson – Roading Manager  
Ms M Frey – Interim Parks and Reserves Manager  
Mr P Horner – Building Assets Manager  
Mr J Rees – Manager Engineering Services  
Mrs H Guise – Senior Council Land Advisor  
Ms H McLeod – Communications Advisor  
Ms L Kuresa – Governance Officer

2. **APOLOGIES**

His Worship the Mayor for lateness.

Moved Cr K Arnold, seconded Cr Esler and **RESOLVED** that the apology be accepted.

3. **PUBLIC FORUM**

Nil.

4. **INTEREST REGISTER**

Nil.

5. **MINUTES OF MEETING HELD 5 AUGUST 2019**

Moved Cr K Arnold, seconded Cr Esler and **RESOLVED** that the minutes be approved.

6. **ACTION SHEET**

This was work in progress.

7. **STATUS OF CONSENTED LANDFILLS IN INVERCARGILL CITY COUNCIL'S DISTRICT**

Mr McIntosh took the meeting through the report.

Moved Cr K Arnold, seconded Cr Esler and **RESOLVED** that the report Status of Consented Landfills in Invercargill City Council's District be received.

8. **FUTURE STATE OF THE THREE WATERS SYSTEM – REGULATION AND SERVICE DELIVERY**

Mr McIntosh took the meeting through the report.

In response to questions, the following answers were given:

1. The consents for stormwater are granted by Environment Southland. The issue the Ministry of Environment are working on is that there hasn't been a national policy statement. There was work going on which was around contaminants and water waste.
2. Getting a one size fits all standard could be the intention they are working towards, but how that finally ends up is yet to be seen. The first and foremost emphasis is around provision of safe drinking water but it's been recognised that both effluent treatment standards and potentially stormwater standards may need to be set as well.

Moved Cr Pottinger, seconded Cr Esler and **RESOLVED** that the Three Waters System – Regulation and Service Delivery be received;

AND

That it be **RECOMMENDED** to Council that Council continues to receive updates in respect to regulation; service delivery arrangements; economic regulation; and oversight and stewardship, as it relates to the three waters provision;

AND

That Clarity continues to be sought in regard to any change to Council's responsibilities resultant from the Central Government review of the 3 Waters.

9. **ROADING PROCUREMENT STRATEGY**

Mr Pearson took the meeting through the report.

**Note:** His Worship the Mayor joined the meeting at 4.16 pm.

Moved Cr K Arnold, seconded Cr Esler and **RESOLVED** that the report Roding Procurement Strategy be received,

AND

That it be **RECOMMENDED** to Council that Council adopts the Roding Activity Procurement Strategy (Financial Assisted Land Transport Activities) 2019-2022.

A2777310

10. **TEMPORARY ROAD CLOSURES**

Mr Pearson took the meeting through the report.

Moved Cr Esler, seconded Cr K Arnold and **RESOLVED** that the report Temporary Road Closures be received;

AND

That it be **RECOMMENDED** to Council that Council agrees that the proposed events as listed in the report will not impede traffic unreasonably;

AND

As permitted under the Local Government Act 1974 (Section 342 and Schedule 10) Council approves the temporary closure of roads for the events included in the document attached (A2764761).

11. **BYLAW 2015/2 PARKING CONTROL AMENDMENT**

Mr Pearson took the meeting through the report.

Moved Cr K Arnold, seconded Cr Esler and **RESOLVED** that the report Bylaw 2015/2 Parking Control Amendment be received;

AND

That it be **RECOMMENDED** to Council that Council resolves in accordance with Clause 5.1(d) of Bylaw 2015/2 – Parking Control that the Parking Drawings Pages 15, 26, 29, 31 and 41 as per Appendix 1 (A2757288) attached, be adopted and supersedes the previous plans.

12. **SETTING OF SPEED LIMITS**

Mr Pearson took the meeting through the report.

Moved Cr Crackett, seconded Cr Pottinger and **RESOLVED** that the report Setting of Speed Limits be received and noted.

13. **BRANXHOLME PIPE LINE REPLACEMENT**

Mr McIntosh took the meeting through the report.

In response to questions, the following answers were given:

1. The route that's been looked at is to try to avoid important parks infrastructure.
2. The intent of the proposed route is on the Queens Park side of Kelvin Street, offering a reasonably wide corridor. There is a full lane of parking where work will be carried out, so it would only affect parking temporarily.
3. The project overall from start to finish takes three years.



Moved Cr Crackett, seconded Cr Thomas and **RESOLVED** that the report Branholme Pipe Line Replacement be received;  
AND

That it be **RECOMMENDED** to Council that Council accepts the route Option C, i.e. that through Donovan and Myers Reserves and Kelvin Street around Queens Park;

AND

That Council notes that a decision to take Option C is inconsistent with the Donovan and Myers Reserve Management Plans to exclude new utility infrastructure;

AND

That Council acknowledges that it does not wish to change the Reserve Management Plans to allow new utility infrastructure outside of this process;

AND

That Council grant its approval to enter into the processes of design, procurement and installation of replacement of the 600mm diameter Class A section of the original Branholme pipeline.

14. **URGENT BUSINESS**

Nil.

15. **PUBLIC EXCLUDED SESSION**

Moved Cr K Arnold, seconded Cr Esler and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, namely:

- (a) *Minutes of the public excluded session held on 8 August 2019.*
- (b) *Surplus Housing.*
- (c) *Request for Delegated Authority to Enter into Contracts Relating to 66 Dee Street.*
- (d) *Purchase of Land for Roading.*
- (e) *Disposal of Land – 22 Dunns Road, Otatara.*

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 the public excluded session held on 8 August 2019	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	<b>Section (7)(2)(i)</b>

- |   |   |                          |
|---|---|--------------------------|
| (b) Surplus Housing   | Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). | <b>Section (7)(2)(i)</b> |
| (c) Request for Delegated Authority to Enter into Contracts Relating to 66 Dee Street | Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). | <b>Section (7)(2)(i)</b> |
| (d) Purchase of Land for Roding   | Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). | <b>Section (7)(2)(i)</b> |
| (e) Disposal of Land – 22 Dunns Road, Otatara   | Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). | <b>Section (7)(2)(i)</b> |

There being no further business, the meeting finished at 5.07 pm.

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**MINUTES OF A MEETING OF THE FINANCE AND POLICY COMMITTEE HELD IN THE  
COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING, 101 ESK  
STREET, INVERCARGILL ON TUESDAY 17 SEPTEMBER 2019 AT 4.00 PM**

**PRESENT:** Sir T R Shadbolt, KNZM JP  
Cr D J Ludlow (Chairman)  
Cr G D Lewis (Deputy Chair)  
Cr R L Abbott  
Cr R R Amundsen  
Cr I R Pottinger  
Cr L S Thomas

**IN ATTENDANCE:** Cr A H Crackett  
Cr T M Biddle  
Mrs C Hadley – Chief Executive  
Mrs P Gare - Group Manager – Environmental and Planning Services  
Ms M Brook - Manager - Strategy & Policy  
Mr J Botting - Management Accountant  
Mr T Holiday – Policy Analyst  
Ms H McLeod – Communications Advisor  
Mr P Horner - Manager - Building Assets  
Miss C Keen - Governance & Corporate Administrator  
Ms L Kuresa – Committee Secretary

2. **APOLOGIES**

Nil.

3. **PUBLIC FORUM**

Nil.

4. **INTEREST REGISTER**

Nil.

5. **MINUTES OF MEETING HELD 6 AUGUST 2019**

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

6. **SUBMISSIONS TO THE GAMBLING POLICIES REVIEW**

The report had been circulated.

Moved Cr Ludlow, seconded Cr Amundsen and **RESOLVED** that the late submission from Nga Kete Matauranga Pounamu Charitable Trust (*Appendix 3*) be received and considered by the Committee.

**6.1 Gaming Machine Association of NZ – Jarrod True**

In addition to his written submission, the submitter took the meeting through a power point presentation.

In response to questions, the following answers were given:

1. We look at the funding that gets generated back. The ILT returned \$5 million, Southern Trust \$900,000, NZCT made a \$25,000 contribution plus the money generated at the RSAs and workingmen's clubs. The money that is generated in those clubs goes back to the members of those clubs.
2. Historically it used to be slightly more males presenting, but it's now slightly more females. The demographic is wide with an increase in the 40 to 60 year age bracket.
3. The Ministry of Health carries out national surveys and then break those findings down. It's people of all races and ages who have an issue with problem gambling.
4. The cabinet paper suggests four options. One of them is the status quo and the second, third and fourth option allows licensed premises to relicense gaming societies.
5. There's only certain things that staff can do to monitor people with a gambling problem. In Gisborne, which is a high risk type area, they have installed facial recognition in all venues. The person is identified as a problem gambler either by the treatment services and excludes themselves or by the venue staff. There is now a system to monitor that.
6. The Problem Gambling Foundation receives 100% of their funding from the Problem Gambling Event that's solely paid for by gambling providers, TAB and Lotto. We are charged a problem gambling levy and that money goes to the Ministry of Health and can only be used to pay for problem gambling treatment and research.

Cr Ludlow thanked the submitter for taking the time to present to Council.

**6.2 ILT Foundation – Lisa-Maree Fleck and Chris Ward**

In addition to their written submission, the submitters tabled a paper (A2781114) and took the meeting through it.

In response to questions, the following answers were given:

1. The ILT gaming machines are focused on all the taverns, which have been there for years. The Northern originated on its current site about 1955, so that's always dominated the place where the machines are located. If we allowed a hotel or tavern to be built in one of the new suburbs in the future development of Invercargill, that might create a problem if we wanted to have a gaming site.
2. You can usually identify the behaviour of a problem gambler when they show signs of agitation or constant visits to the counter for more money, but that's one reason why we have put in place the protection of three withdrawals per person or the maximum of \$300.00, however it's not always easy to identify.

Cr Ludlow thanked the submitter for taking the time to present to Council.

6.3 **Nga Kete Matauranga Pounamu Charitable Trust – Eru Loach**

In addition to his written submission, the submitter said that collectively everyone had a responsibility with regard to problem gambling. He took the meeting through key points in the Gambling Act.

In response to questions, the following answers were given:

1. How can Council say that it has taken a Social Impact Assessment into regard if it had not done one? The other is engagement with Maori organisations.
2. There are many Maori organisations in Southland but he was aware of a document from the Bay of Plenty Regional Council they have an engagement with Maori document that was a great template to consider. It's a template that gives guidelines, so it would be a good start for this Council to look at how to engage appropriately with Maori as well as how Maori could be included in decision-making as the Local Government Act requires.
3. Nga Kete Matuaranga will be making a submission to central government regarding online gambling. Although Council does not have the mandate in relation to online gambling, it should not be seen as a means to justify making decisions for this policy.
4. Council needs to engage with Waihopai, Awarua, mata waka and invite the Marae that exists within the district and they will give you answers to who, when and where.
5. Our youth are hugely affected by gambling harm. There is a lot of research around children of gamblers as affected whanau and they too should have a voice but I'm not one to say how it should work.

Cr Ludlow thanked the submitter for taking the time to present to Council.

In response to a question, Ms Brook explained that Council's policy stated that a Social Impact Assessment would be undertaken and considered prior to any merger, transfer or relocation being approved, that was Council's position. Council would need to further investigate whether it needed a Social Impact Assessment before including a clause about transfer or relocation in the policy.

Cr Ludlow and Cr Amundsen declared that they were members of the Child, Youth and Family Friendly Sub-Committee but were not present when the Committee discussed the item and the submission.

Cr Crackett declared that she was also a member of the Child, Youth and Family Friendly Sub-Committee and a Council appointee to the Invercargill City Youth Council and was not present during the submission discussions for both Committees.

Cr Biddle stated that she met with Mr Eru Loach prior to this meeting to discuss this item but did not consider that as a conflict of interest.

Cr Lewis declared that his son-in-law was associated with the gaming machines industry but he had not discussed this item with him in the last three years and did not see that as a conflict of interest.

Moved Cr Ludlow, seconded Cr Abbott and **RESOLVED** that the report 'Submissions to the Gambling Policies Review' be received; and

**Note:** That the submissions (*Appendix 2*) be received and considered by the Committee.  
Cr Crackett left the meeting at 5.08 pm.

The Committee discussed its concern around the lack of consultation with the Maori organisations on this matter and agreed that it would not proceed with adopting the policy until further consultation was carried out.

Moved Cr Biddle, seconded Cr Lewis and **RESOLVED** that the Committee does not adopt the policy until appropriate consultation with Maori organisations has been completed.

7. **QUARTERLY REPORT**

Mr Botting took the meeting through the report.

Councillors voiced their concerns with regard to the regulatory key performance indicators in relation to building consents.

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

There being no further business the meeting closed at 5.52 pm.

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**CHIEF EXECUTIVE'S PERFORMANCE APPRAISAL COMMITTEE  
HELD ON TUESDAY 27 AUGUST 2019  
AT 8.00 AM IN THE CEs MEETING ROOM**

**PRESENT:** His Worship the Mayor, T R Shadbolt  
Cr R R Amundsen  
Cr R L Abbott  
Cr G D Lewis  
Cr D J Ludlow  
Cr L S Thomas

**1. APOLOGIES**

Cr L S Thomas.

Moved Cr Ludlow, seconded Cr Abbott and **RESOLVED** that the apology be accepted.

**2. PUBLIC EXCLUDED SESSION**

Moved Cr Lewis, seconded Cr Abbott and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, namely:

(a) *Chief Executive's Key Performance Indicators.*

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:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
(a) Chief Executive's Key Performance Indicators	To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	<b>Section 7(2)(i)</b>

There being no further business the meeting closed at 9.07 am.

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**TO: COUNCIL**

**FROM: ANDREW CAMERON – GENERAL MANAGER**

**MEETING DATE: TUESDAY 24 SEPTEMBER 2019**

<b>CONSTITUTIONAL CHANGES</b>
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**SUMMARY**

On 28 May 2019 Invercargill City Council resolved that there would no longer be Councillors appointed as directors of Council Controlled Organisations. Council is considering changes to its policy to reflect that decision at this meeting.

This paper recommends changes to the constitution of Invercargill City Holdings Limited and Invercargill City Property Limited to reflect that decision.

**RECOMMENDATIONS**

**That the report ‘Constitutional Changes’ be received;**

**AND THAT**

**That Councillors confirm that the Mayor is authorised to pass a resolution of shareholders for the changes to the constitution of Invercargill City Holdings Limited identified in this report.**

**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> Yes
3.	<i>Is this matter significant in terms of Council’s Policy on Significance?</i> Yes
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> Minor implications for budget.
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> No.



## 1. BACKGROUND

The Invercargill City Holdings Limited (ICHL) constitution reserves certain powers to shareholders. Alteration or revocation of the constitution is reserved to shareholders by special resolution in section 12.2.1.

The Invercargill City Property Limited (ICPL) constitution reserves certain powers to shareholders. Alteration or revocation of the constitution is reserved to shareholders by special resolution in section 12.2.1.

## 2. CHANGES REQUIRED – INVERCARGILL CITY HOLDINGS LIMITED

The Invercargill City Holdings Limited (ICHL) constitution currently provides (clause 15.1)

Subject to clause 15.9 the minimum number of directors (other than alternate directors) shall be four (4) and the maximum number of directors (other than alternate directors) shall be eight (8) of whom at least two (2) shall be persons who are neither members of the Invercargill City Council nor persons employed by the Invercargill City Council. If a director who is not a member or employee of the Invercargill City Council subsequently becomes a member or employee of the Invercargill City Council that director shall forthwith resign as a director of the company.

And 15.3.4

If any director shall be a duly elected member or employee of the Invercargill City Council and shall cease to hold such office they shall offer their resignation as a director to the company within one month of their ceasing to hold office. A director so offering their resignation shall hold office until the dissolution or adjournment of the meeting at which their successor is appointed or they are re-appointed. All such directors shall be eligible for re-appointment.

It is proposed that the following changes be made to those clauses of the ICHL constitution:

15.1

Subject to clause 15.9 the minimum number of directors (other than alternate directors) shall be four (4) and the maximum number of directors (other than alternate directors) shall be eight (8) ~~all~~ of whom ~~at least two (2)~~ shall be persons who are neither members of the Invercargill City Council nor persons employed by the Invercargill City Council. If a director who is not a member or employee of the Invercargill City Council subsequently becomes a member or employee of the Invercargill City Council that director shall forthwith resign as a director of the company.

And 15.3.4

~~If any director shall be a duly elected member or employee of the Invercargill City Council and shall cease to hold such office they shall offer their resignation as a director to the company within one month of their ceasing to hold office. A director so offering their resignation shall hold office until the dissolution or adjournment of the meeting at which~~

~~their successor is appointed or they are re-appointed. All such directors shall be eligible for re-appointment.~~

### **3. CHANGES – INVERCARGILL CITY PROPERTY LIMITED**

Invercargill City Property Limited (ICPL) has the same clauses as ICHL in its constitution. It is noted that ICHL as shareholder in ICPL and in accordance with its constitution is authorised, and will, make the same changes to the constitution of ICPL.

**TO: COUNCIL**

**FROM: TROY HOLIDAY – POLICY AND REPORTING ANALYST**

**MEETING DATE: TUESDAY 24 SEPTEMBER 2019**

<b>POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS CHANGES</b>
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**SUMMARY**

On 28 May 2019 Invercargill City Council resolved that there would no longer be Councillors appointed as directors of Council Controlled Organisations. A paper from Invercargill City Holdings Limited recommending changes to the constitution of Invercargill City holdings Limited and Invercargill City Property Limited to reflect that decision is to be considered at this meeting.

Changes are needed within the Invercargill City Council Policy on Appointment and Remuneration of Directors Policy (**Appendix 1**) to implement this change in policy.

**RECOMMENDATIONS**

**That the report “Policy on Appointment and Remuneration of Directors Changes” be received.**

**And**

**The Invercargill City Council approve the Policy on Appointment and Remuneration of Directors.**

**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> No
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

## **1: POLICY CONSIDERATIONS**

Invercargill City Council (ICC) has a Policy on the Appointment and Remuneration of Directors (Policy). Various parts of that policy make reference to the appointment of Councillors as directors. On 28 May 2019 ICC resolved to make any changes necessary to its policies to reflect the decision that Councillors will be excluded from being directors on ICHL and its subsidiaries and associated joint ventures from the beginning of the 2019 triennium.

Attached is a marked up version of the Policy to reflect those changes.

There have also been some other minor changes to director tenure for Council-Controlled Trading Organisation to reflect previous decisions from ICC.

### **Risks**

Following the report 'Invercargill City Holdings Limited Constitution' where Council agreed to the changes (of Clauses 15.1 & 15.3.4) to the ICHL constitution, failure to amend accompanying policy (Invercargill City Council Policy on Appointment and Remuneration of Directors) could lead to legal challenges over the Directorship appointments.

There could also be risk over (perceived or otherwise) conflict of interest.

### **CONCLUSION**

It is recommended that Council approve the wording changes within the Policy, to reflect the changes within the ICHL Constitution, which would ultimately satisfy section 57 of the Local Government Act (Appointment of Directors) 2002.

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

**AUGUST 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)~~(a) Independent Directors of ICHL (subject to Section 3); and  
~~(c)~~(b) 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 ~~all 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 two 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.

CCTOs in which ICHL hold 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 will 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

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

~~The Council recognises the additional value that experience brings to its CCTO'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

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

## Schedule 2

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