



# Appointment of Directors to Council Organisations and Council- Controlled Organisations

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<p style="text-align: center; font-weight: bold; font-size: 1.2em;">PONO</p> <p style="text-align: center; font-size: 0.8em;">Integrity through transparency, trust and accountability</p> <p style="text-align: center; font-size: 0.8em;">Integrity through standing up for what's right</p> <p style="text-align: center; font-size: 0.8em;">Integrity through respect for our communities, environment and cultures</p> <div style="text-align: center; font-size: 2em; margin-top: 20px;">  </div>	<p style="text-align: center; font-weight: bold; font-size: 1.2em;">WHANAUNGATANGA</p> <p style="text-align: center; font-size: 0.8em;">One team who unites behind a shared vision</p> <p style="text-align: center; font-size: 0.8em;">One team who is respectful and considerate to all</p> <p style="text-align: center; font-size: 0.8em;">One team who encourages each other to succeed and excel</p> <div style="text-align: center; font-size: 2em; margin-top: 20px;">  </div>	<p style="text-align: center; font-weight: bold; font-size: 1.2em;">WHANAKE</p> <p style="text-align: center; font-size: 0.8em;">We will continue to evolve, adapting to our ever-changing environment</p> <p style="text-align: center; font-size: 0.8em;">We will continue to evolve, steering our waka in the right direction</p> <p style="text-align: center; font-size: 0.8em;">We will continue to evolve, leading our communities into a better future</p> <div style="text-align: center; font-size: 2em; margin-top: 20px;">  </div>
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## 1. Purpose

- 1.1. Under Part 1 of the Local Government Act 2002 (LGA), local authorities have governance responsibilities for two types of organisations:
  - (a) Council Organisations (COs) – where one or more local authorities control one or more voting rights, or have the right to appoint one or more directors.
  - (b) Council-Controlled organisations (CCOs) – where one or more local authorities control 50% or more of the voting rights, or have the right to appoint 50% or more of the directors.
- 1.2. For the purpose of this policy, the terms “director” or “trustee” refer collectively to any individual appointed to the governing body of a CO or CCO, including those referred to as Board members, or office holders, regardless of their specific title.
- 1.3. This policy sets out Tararua District Council’s approach to the appointment, removal, and remuneration of directors and trustees to its COs and CCOs. It is designed to ensure appointments are made in accordance with legislative requirements, good governance practice, and the Council’s strategic objectives. A full list of the organisations covered by this policy and its application is provided in Schedule 1.

## 2. Policy Context

- 2.1. Section 57 of the LGA requires local authorities to adopt a policy that sets out an objective and transparent process for:
  - Identifying and considering the skills, knowledge, and experience required of directors or trustees of a CO or CCO; and
  - Appointment and remuneration of those directors and trustees.
- 2.2. Under section 57(2) of the LGA, a person may be appointed to a CO or CCO Board only if the Council considers that they have the skills, knowledge, and experience necessary to guide the organisation, given its nature and scope, and to contribute to the achievement of its objectives.
- 2.3. Section 57(3) further requires the Council, when identifying the skills, knowledge, and experience required for a CCO appointment, to consider whether knowledge of tikanga Māori is relevant to the governance of that organisation.
- 2.4. The specific skills and attributes sought by the Council are set out in section 4 of this policy.
- 2.5. This policy also reflects Council’s broader commitment to principles of good governance, drawing on the Institute of Directors’ Four Pillars of Governance Best Practice for New Zealand Directors.
- 2.6. The Boards’ own governance policies should also reflect and align with these principles.

### 3. Scope

This policy applies to the COs and CCOs as detailed in the Schedule to this policy.

### 4. Skills

- 4.1. Tararua District Council values and supports the benefits that diversity of thought, experience and skills bring to our CO and CCO Boards. We recognise that increasing diversity and fostering inclusive Board culture is an essential element in supporting high performing Boards, driving long-term success and delivering better outcomes for the communities of the Tararua district.
- 4.2. Council considers that any person it appoints to be a director of a CO or CCO should have the following attributes:
- (a) A sound understanding of governance principles and responsibilities;
  - (b) validated business experience or other experience that is relevant to the activities of the organisation;
  - (c) sound judgment including risk assessment and contingency management;
  - (d) a high standard of personal integrity;
  - (e) an understanding and commitment to Council's obligation to Te Tiriti o Waitangi;
  - (f) the ability to work as a member of a governance team; and
  - (g) commitment to the wider public interest.
- 4.3. When considering appointments, Council will assess the existing skills matrix of the Board to identify any gaps or areas requiring strengthening, ensuring that appointments complement current capabilities and align with Council and the organisation's future needs. A skills matrix typically includes:
- Governance experience;
  - Strategy acuity;
  - Financial management;
  - Legal expertise;
  - Competence in Te Tiriti o Waitangi obligations and application;
  - Risk management;
  - Health, safety and compliance;
  - Digital capability;
  - Communication and marketing; and
  - Specialist knowledge.

## 5. Eligibility for Appointment

### 5.1. The Council has a responsibility to monitor the performance of its COs and CCOs. Accordingly:

Elected Members of the Council should not be appointed to the Boards of COs or CCOs unless there is need to meet a statutory requirement. Any such appointment must be supported by a Council resolution detailing the rationale.

Council Officers are not eligible for appointment unless the nature of the appointment specifically requires it. Any such appointment must be supported by a Council resolution detailing the rationale, for example, the Local Government Funding Agency requires Board members to be officers of a local authority.

Board Independence is expected. Appointed Board members must not be employees of the organisation. If a Board member is temporarily engaged to fill a staff vacancy, they must stand down from the Board while doing so. Permanent employment by the organisation requires the employee to resign their position before starting their permanent role.

## 6. Determining Appointment Process

### 6.1. General Process

- (a) When a vacancy arises, Council will advertise the vacancy unless it decides to reappoint an existing Board member and that must be approved at the Council meeting as described below.
- (b) Council will determine how to fill the vacancy at a meeting held in public-excluded session (to protect the privacy of natural persons). At that meeting, Council will decide whether to:
  - Reappoint an existing Board member;
  - Advertise the vacancy; or
  - Leave the vacancy unfilled (where appropriate).

### 6.2. Reappointments

In the case of a reappointment, Council will consider the individual's availability, the recommendation of the Board Chair, their contribution to the organisation's purpose, alignment with required skills, and any term limits set in the founding document.

*Note: it is the expectation that the Board Chair would have first discussed the reappointment of an existing Board member with the Board, and referred to the skills matrix, before making a recommendation to Council.*

### 6.3. New appointments

For new appointments, Council will take into account the recommendation from the recruitment committee or panel, the cost of advertising and recruitment, the availability of qualified candidates, and the urgency of filling the vacancy. In particular, Council notes that an organisation, CO or CCO without a quorum of directors is unable to make binding decisions.

## 7. Implementing Recruitment and Selection

### Appointment by advertisement

- 7.1. When a vacancy is advertised, Council will ensure the process aligns with the skills required and available budget. Advertising may include:
- (a) Local media;
  - (b) Council and third-party websites;
  - (c) Social media; and
  - (d) Professional networks (e.g. Institute of Directors, Appoint Better Boards, LinkedIn, Seek, Trade Me Jobs).
- 7.2. Applications will be reviewed by an Appointment Panel.

### Appointment panel

- 7.3. The Appointment Panel will be chaired by the Mayor (or a councillor nominated by the Mayor) and include two to four representatives, which may include councillors, trustees, council officers, and other relevant stakeholders. The current Chair or a Board member, may be invited to form part of the Appointment Panel.
- 7.4. The panel is confirmed by the Mayor and the relevant council officer responsible for the CO or CCO. After shortlisting, the panel will conduct interviews, carry out reference checks, and make a recommendation to Council. The final decision on appointments rests with Council and must be made by formal resolution.

## 8. Pre-Appointment Checks

- 8.1. Candidates must consent to a police check, provide two referees, and declare any relevant interests. Where a potential conflict of interest is identified, the Appointment Panel must be satisfied that it can be managed appropriately.
- 8.2. Appointments are confirmed by Council resolution in a public-excluded meeting, with a public announcement made as soon as practicable after the Council meeting if the Council approves the appointment.

## 9. Removal of Directors and Trustees

- 9.1. Council appointed Directors and trustees hold office at the pleasure of the Council and may be removed at any time by Council resolution.
- 9.2. Grounds for removal include:
- (a) Regular absence from Board meetings without justification.
  - (b) Lack of confidence of either the Board or the Council.

- (c) Breach of ethical standards. The Council requires directors to follow the current provisions of the New Zealand Institute of Directors Code of Ethics (<http://www.iod.org.nz/>).
- (d) Acting against the best interests of the organisation.
- (e) Breaching the confidence of the Board (e.g. speaking publicly on Board matters without authorisation).
- (f) Failing to uphold collective responsibility.
- (g) Disqualification under section 151(2) of the Companies Act 1993.

9.3. Concerns should be addressed by the Board in the first instance. The Board may then recommend removal to Council. No compensation will be paid to removed members.

## 10. Appointment of Chair

- 10.1. Where required, Council will appoint the Chair from among the existing Board members.
- 10.2. Council may request a recommendation from the Board.
- 10.3. Appointments are made by Council resolution, typically for a term of up to three years.
- 10.4. Where the Chair is unable to fulfil their responsibilities effectively, Council retains the authority to review and, if necessary, address the Chair's position in accordance with the organisation's founding document, constitution, or charter.
- 10.5. Chairs of COs and CCOs with significant assets are expected to identify and mentor potential successors to support effective leadership transitions.

## 11. Remuneration

- 11.1. Council will determine whether directors or trustees are to be remunerated. As remuneration is a matter of public interest, it will be guided by the following factors:
  - (a) The need to attract and retain appropriately qualified individuals;
  - (b) the skills, expertise, and specialisation required;
  - (c) remuneration levels and trends in comparable organisations (Council will obtain independent advice at least every three years for roles remunerated over \$3,000 p.a. to ensure remuneration is proportionate and financially responsible);
  - (d) the size and scale of the organisation (e.g. turnover, assets, staffing);
  - (e) the complexity of operations and decisions required;
  - (f) the level of accountability and reputational risk; and
  - (g) Council's affordability and whether the organisation operates on a charitable basis.

## **12. Schedule A – Tararua District Council COs and CCOs under this policy**

### **12.1. Council Organisations**

### **12.2. Council-Controlled Organisations**

### 13. Document Record

Change	Made By	Date	Version
Adopted by Tararua District Council	Resolution	25 March 2026	1



**TARARUA**  
DISTRICT COUNCIL

**Dannevirke Service Centre**

26 Gordon Street, Dannevirke  
PO Box 115, Dannevirke 4942  
Monday - Friday  
8:00am - 5:00pm  
**Phone:** 06 374 4080 (24 hours)  
**Email:** info@tararuadc.govt.nz

**Pahiatua Service Centre**

136 Main Street, Pahiatua  
Monday - Friday  
8:00am - 4:30pm  
**Phone:** 06 376 0110 (24 hours)  
**Email:** info@tararuadc.govt.nz

**Eketāhuna Service Centre & Library**

31 Main Street, Eketāhuna  
Monday - Friday  
10:30am - 12:30pm & 1:00pm - 4:30pm  
**Phone:** 06 376 0110 (24 hours)  
**Email:** info@tararuadc.govt.nz

**Woodville Service Centre, Library & isite**

45 Vogel Street, Woodville  
Monday - Friday  
9:00am - 5:00pm  
**Phone:** 06 376 0200 (24 hours)  
**Email:** info@tararuadc.govt.nz