

13.4 Appointment of Directors to Venture Timaru Limited

Author: Alesia Cahill, Executive Support Manager

Authoriser: Nigel Bowen, Mayor

Section under the Act	The grounds on which part of the Council or Committee may be closed to the public are listed in s48(1)(a)(i) of the <i>Local Government Official Information and Meetings Act 1987</i> .
Sub-clause and Reason:	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons
Plain English Reason:	To protect a person’s privacy.

<p>Recommendation</p> <p>1. That Council receives the report and approves the following appointments:</p> <ul style="list-style-type: none"> (a) That Logan Hanifin is appointed as an Independent Director of Venture Timaru Limited, for a three-year term. (b) That Tony Howey is reappointed as an Independent Director of Venture Timaru Limited, for a three-year term. (c) That with Clr Booth standing down, the number of Board members is reduced to five, with Clr Scott remaining as the Elected Member representative.

Purpose of Report

1 For Council’s approval on the process for appointment, or reappointment as the case may be (referred to as appointment for the purposes of this report), of directors to the board of Venture Timaru Limited (VT).

Assessment of Significance

2 This matter is of low significance in terms of Council’s Significance and Engagement Policy. It addresses the process for appointment of directors and is seeking Council approval to proceed with the proposed process. It does not affect levels of service, rates or strategic assets.

Background and discussion

3 VT is a company incorporated under the Companies Act 1993 and is a council-controlled organisations (CCOs). VT has six directors, four are independent and two are current Timaru District Council Councillors. The directors and the date of their respective appointments are:

- (i) Tony Brien – independent chair 1 April 2021
- (ii) Tony Howey – independent director 1 April 2021
- (iii) Logan Hanifin – independent director on secondment 6 December 2023
- (iv) Erin McNaught – independent deputy chair 1 July 2019
- (v) Stacey Scott – elected member director 1 April 2021

(vi) Allan Booth – elected member director

1 November 2019

- 4 The appointment of directors to VT is governed by its constitution and the External Governance Appointments Policy (Policy).
- 5 VT's Constitution is largely silent on the appointment process, however, there is nothing in the Constitution that is inconsistent with the Policy.
- 6 The Policy provides that *one-third of the members who have held office the longest (up to a whole number) shall retire at the meeting, and if less than three terms have been served are eligible to offer themselves for reappointment.* (refer paragraph 7.3 of the Policy).
- 7 Council's approach has in the past been to the closest whole number, in which instance is two directors. On this basis, the two directors whose appointments are up for rotation are Clr Allan Booth and Tony Howey.
- 8 VT has advised Council that that Tony Howey is available for reappointment and that Clr Allan Booth is not offering himself for reappointment. There are broadly two issues for council to consider:
- (i) Should Tony Howey be appointed for a further term, and
 - (ii) Should Clr Booth be replaced, or the VT board remains with five directors.
- 9 Part of recommending whether Tony Howey should be reappointed is to consider the board competencies and whether they are appropriate for VT. The skills matrix last updated in 2023 (refer attachment 1 including individual self-assessment and a collective moderation) has been informed by the Institute of Directors (IoD) principles on what skills and competencies should be present on a board.
- 10 Officers note the skills matrix assessment undertaken during the initial recruitment that Tony Howey scores well in core competency and in areas of importance to VT, such as strategy.
- 11 In summary, Toney Howey brings a relatively complete suite of skills and competencies relevant to VT's strategy and operations when assessed against the skills matrix. Having served three years, it would be usual for his reappointment to be recommended.

Appointment of Logan Hanifin

- 12 Logan Hanifin was seconded to the Venture Timaru board in December 2023 following the departure of Karl Te Raki and is seeking formal appointment as a Venture Timaru Board member.
- 13 Prior to his secondment to the VT Board, he had previously served as an associate director for VT.
- 14 Logan is the Chief Executive for New Zealand Pet Foods Limited. He has spent the last 15 years working within primary industries and most recently holding senior roles within the Dairy & Infant Formula sector, with a key focus on FMCG and sales into China.
- 15 With New Zealand Pet Foods being both a primary and secondary processor of pet food, Logan brings a broad pet sector scope to his role on the Executive Committee of the NZPFA.
- 16 He brings experience in the primary and value-added product sectors that form the backbone of the local economy

What is the optimal number of directors for VT?

- 17 The question on whether Clr Booth's retirement should occasion a replacement is largely answered by considering whether there is a gap in VT's collective competencies that would benefit from an additional director. Officers note that in respect of the existing competencies there is no immediate or obvious gap that is not covered by other directors' competencies. In this instance, the option is whether the council wishes to recommend a specific skill set that it wishes to see developed, such as food and fibre manufacturing.
- 18 If the council decides that there is a replacement for Clr Booth it is recommended that either another Elected Member is selected or an open contested recruitment process supported by Council's Engagement and Culture Team be undertaken to identify a suitable appointment

Options and Preferred Option

- 19 Council is required to make the director appointments to its CCOs, and the Policy requires it to make appointments each year.
- 20 In respect of VT the preferred options are:
- (i) for the Council to recommend whether the skills matrix should be updated as noted above to include specific competencies around integrity, sustainability and food and fibre manufacturing
 - (ii) The appointment of Logan Hanifin from his current secondment.
 - (iii) The reappointment of Tony Howey.
 - (iv) To recommend whether there should be five or six directors on the board of VT, and if six directors are recommended, to either elect an Elected Member or commence recruitment of a further director through an openly contested process with support from Council officers.

Relevant Legislation, Council Policy and Plans

- 21 This report has been prepared with consideration of the:
- Local Government Act 2002
 - Companies Act 1993
 - The Constitution of VT
 - Council's External Governance Appointments Policy.

Financial and Funding Implications

- 22 Director appointments are usually at the cost of the company and incurred and absorbed as part of its usual governance related expenses.

Attachments

Nil