

# External Governance Appointments Policy



<b>Approved by:</b>	Timaru District Council
<b>Group:</b>	Governance
<b>Owner:</b>	Chief Executive
<b>Date adopted:</b>	24 February 2026 The policy becomes effective immediately upon adoption, unless otherwise specified
<b>Review:</b>	Every 3 years aligned to the local authority election cycle This Policy does not cease to have effect because it is due for review, or being reviewed
<b>Consultation:</b>	In accordance with s82 of the Local Government Act 2002
<b>Policy Type</b>	Internal Operational

## Policy Purpose

1. The purpose of this policy is to:
  - (i) To provide clear guidelines outlining the process to be taken, and criteria to be considered, when seeking to recruit, appoint or reappoint Directors to Council Organisations, outside organisations with a reserve Council seat, and external membership to Council Committees and Subcommittees.
  - (ii) To provide clear guidelines and requirements outlining the optimal skills required for directorship and the Council's director appointment process to Council organisations.
  - (iii) To provide clear guidelines and requirements outlining the optimal skills required for external membership and the Council's appointment process to committees or subcommittees.

## Scope

2. This policy covers:
  - (i) The appointments of Directors to all Council Organisations (COs), particularly Council Controlled Organisations (CCOs) and Council-Controlled Trading Organisations (CCTOs). See Appendix A for organisations covered by this policy.
  - (ii) Any other director appointments to outside organisations made by the Council through resolution.
  - (iii) The appointment of all external appointments to Council Committees and Subcommittees.
3. For the avoidance of doubt, this policy does not apply where Council resolves that a candidate to fill a vacancy should be appointed by a nominated third party. In such cases, the vacancy will be filled according to criteria and processes determined by the nominated third party, but subject to any limitations that Council may set.

## **Definitions**

4. Candidate: a person who has submitted a written application for a Director's position or Council appointment, or has agreed in writing to be considered for such a position.
5. Committee/Subcommittee: a Committee/Subcommittee established by the Mayor pursuant to section 41A (3) of the LGA or by Council in accordance with schedule 7, clause 30 of the LGA. This includes any other subordinate decision-making body appointed under this clause regardless of the name of the body.
6. Company: has the meaning set out in section 2(1) of the Companies Act 1993.
7. Council: means Timaru District Council (or its statutory successors).
8. Council Organisation (CO): has the meaning set out in section 6 of the LGA, which includes any entity in which the Council has a voting interest or the right to appoint a director, trustee or manager (however described). This is a wide-ranging definition, covering a large number of bodies, including Council-Controlled Organisations and Council-Controlled Trading Organisations.
9. Council-Controlled Organisation (CCO): has the meaning set out in section 6 of the LGA, which includes any organisation in which 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.
10. Council-Controlled Trading Organisation (CCTO): has the meaning set out in section 6 of the LGA and means a CCO that operates a trading undertaking for the purpose of making a profit.
11. Director: with respect to a CO includes a trustee, manager, or office holder (however described in that organisation).
12. People, Performance and Appointments Committee (the Committee): the committee responsible for appointing directors to Council organisations or outside organisations with a reserved Council seat, or external members to Council Committees or Subcommittees.
13. Elected Member: anyone holding the position of Mayor, District Councillor or Community Board Member for the Timaru District.
14. External Member: an individual who is not an Elected Member or employee of Timaru District Council, appointed to CO governance roles or to Committees or Subcommittees of Timaru District Council.
15. LGA: the Local Government Act 2002.
16. Organisation: includes a company, body corporate or other incorporated entity, partnership including a limited liability partnership, trust, arrangement for the sharing of profits, union of interest, cooperation, joint venture, or other similar arrangement.

## **Policy Statements**

### *Legislative context*

17. Section 57 of the LGA requires Council to adopt a policy that establishes an objective and transparent process for:

- (i) The identification and consideration of the skills, knowledge, and experience required of directors of a council organisation;
  - (ii) The appointment of directors to a council organisation; and
  - (iii) The remuneration of directors to a council organisation<sup>1</sup>.
18. Clauses 30-31, Schedule 7 of the LGA provides that Council may appoint Committees, Subcommittees, and other subordinate decision-making bodies, and may appoint a person who is not an elected member if that person has the skills, attributes, and knowledge that will assist the work of the Committee or Subcommittee. Other members cannot include an employee of Council.

#### *Identification of Skills Required*

19. Skills and competencies are to be determined for each role. Appendix B sets out an example of a Director Competency Framework. This is subject to review and may be amended by the People, Performance and Appointments Committee if they deem necessary in order to be responsive to the needs of each CO accordingly.
20. For each Director appointment, the Council will develop a director profile for the role, outlining the specific skills, knowledge and experience required. This will take into account:
- (i) The nature and scope of the organisation, the organisation's future directions, and its constitutional set up;
  - (ii) The strategic objectives of the organisation and the attributes, skills, and knowledge required to deliver those objectives;
  - (iii) The skills of the current directors (core competencies) and the required cumulative skills (collective competencies) of all the directors;
  - (iv) The responsibilities and obligations of that role;
  - (v) Any specific skill, knowledge, qualification, and experience that is currently required or may be required in the future; and
  - (vi) Whether knowledge of tikanga Māori may be relevant and of benefit to the organisation, as per section 57(3) of the LGA.
21. Council appointees to COs that operate as companies are encouraged to become members of the New Zealand Institute of Directors (IoD) or similar for the duration of their appointment, and commit to continuing professional governance development.
22. Council appointments of external members to Committees or Subcommittees will also consider the skills, attributes, knowledge, and experience relevant to the specific role that will contribute towards the collective competencies of all the Committee or Subcommittee members, and the overall objectives of the organisation.
23. The expectation of all appointed persons is that they will demonstrate exemplary standards of professional conduct and integrity in carrying out the functions of the

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<sup>1</sup> This policy should be read in conjunction with the Governance Remuneration, Allowances and Expenses Policy for any remuneration matters.

position(s) to which they are appointed. Failure to meet these standards may result in dismissal from the appointed position.

#### *Appointment Process*

24. All appointments are based on the following three principles:
- (i) Merit – providing a choice of high-quality candidates whose skills, experience, and qualities have been judged to best meet the needs of public office.
  - (ii) Fairness – selection processes that are objective, impartial, and consistently applied to all candidates.
  - (iii) Openness – information about the requirements of the post and the selection process must be publicly available.
25. The appointment process for directors to COs, or outside organisations with a reserved Council seat, or external members to Council Committees or Subcommittees is administered by the People, Performance and Appointments Committee, with the assistance of external assessment advice as required.
26. The Committee Chair has the delegated authority to appoint a replacement member(s) should any of the sitting member(s) be unavailable for an appointment process.
27. Appendix D sets out the appointment processes for Council Organisations; the same process is generally applicable for other appointments within the scope of the Committee. This is subject to review and may be amended by the Chief Executive as directed by the People, Performance and Appointments Committee. This flexibility allows the process to be responsive to the needs of each CO appointment.
28. The Committee will appoint and convene an interview and selection panel to make the recommendations to the Committee. The Mayor is not eligible to be on the selection panel. The Committee will then decide which candidates to recommend to Council for appointment.
29. Council will, by resolution in a Council meeting, decide on the appointment/s, after giving consideration to the recommendations of the People, Performance and Appointments Committee. Council's decision will be recorded in the minutes. Subject to the Local Government Official Information and Meetings Act 1987, this may be in Public Excluded. If so, public notification will follow when appropriate.
30. Council will ensure as part of the appointment process that appropriate inquiries are made to satisfy itself that the external appointee is, in respect of both character and competence, a fit and proper person capable of discharging the requirements of the position to an exemplary standard.

#### *Candidate eligibility*

31. Subject to the limits specified in this policy, Council may appoint elected members to be Directors of:
- (i) COs; and
  - (ii) other organisations where there is a requirement or reservation for elected member representation.

32. The following eligibility criteria apply when making appointments to COs:
- (i) Each CO shall have a minimum of three and a maximum of seven Directors.
  - (ii) No more than two Directors of any one CO shall be Elected Members. The Mayor may not be a Director.

33. External applicants may be considered for Council appointments to COs or other organisations.

34. All director appointments to COs must complete the Director Consent Form as per Appendix C.

#### *Terms of Appointment*

35. The terms for the appointments with remuneration and allowances will be determined by Council resolution on advice from the Chief Executive, and will be valid for the period for which they are set. The exception to this is if the remuneration and allowances for the relevant position are specified in the Governance Remuneration, Allowances and Expenses Policy, or otherwise set by legislation.

36. An Elected Member Director will cease to hold office:

- (i) Immediately if he or she ceases to be an Elected Member for any reason other than as a result of the triennial elections for the election of officers of Council; and
- (ii) If an Elected Member Director is not re-elected to Council in the triennial elections for the election of officers of Council, on a date specified by Council, being not more than 6 months after the elections; or
- (iii) Immediately, if they are elected or appointed to the Mayoralty.

37. A Director holding the position of Acting Mayor is not disqualified from nor ceases to hold office, unless Council resolves that this should occur.

38. The Chairperson and Deputy Chairperson of each CO shall each be Independent Directors.

39. All directors shall retire by rotation after a period of three years from their appointment or re-appointment. The exception is that if this would cause a change of more than half of the directors on the board within one financial year, Council can resolve to extend the term of individual directors for up to one year to support staggered rotations.

40. A retiring Director is eligible for reappointment but shall not serve more than nine years in total (including non-consecutive terms). The exception to this is if Council believes it is in the CO's interests for a person to serve longer than three terms. In such a case, Council may invite a person to continue to be a Director.

#### *Conflicts of Interest and Reputational Risk*

41. The Council expects all Directors of COs, and all external appointments to Committees and Subcommittees, to strive to avoid situations where their actions could give rise to perceived or real conflicts of interest, or present a reputational risk to Council.

42. If such a situation occurs, the appointed member shall raise this with the Chair of the Board or Committee, the Mayor or the Chief Executive as soon as practicable.

43. Each CO Chairperson will maintain a conflicts of interest register available to the Chief Executive or Mayor, and reported on annually as part of the annual meeting.
44. Directors of COs will be expected to follow the provisions of the Institute of Directors Code of Practice for Directors. Breaches of this code could result in dismissal.

### **Monitoring**

45. This policy will be monitored annually as part of Council's Policy Monitoring Framework.
46. Indicators of whether this policy is achieving its stated purposes include:
  - (i) Whether all legislative requirements are adhered to throughout the appointments process.
  - (ii) Feedback from internal and external stakeholders, including elected members, members of the People, Performance and Appointments Committee, CO directors and Committee members.
  - (iii) Recommendations from internal or external audits.
47. Compliance with this policy will be reviewed on a cyclical basis as part of the Timaru District Council's internal audit process.

### **Reporting**

48. A summary of the performance of this policy will be reported to Council as part of the six-monthly Policy Update (when new information is available).
49. Full performance and monitoring data will be made available to Councillors when available.

<b>Delegations, References and Revision History</b>					
<b>Delegations</b>					
Identify here any delegations related to the policy for it to be operative or required as a result of the policy					
<b>Delegation Manual reference</b>		<b>Delegation</b>			
N/A		N/A			
<b>References</b>					
Include here reference to any documents related to the policy (e.g. operating guidelines, procedures)					
<b>Title</b>		<b>Document reference</b>			
Governance Remuneration, Allowances and Expenses Policy		Find the latest version of the policy in the Master Policy Register #1539671			
TDHL frameworks and processes		#1343698; #1343699; #1341014			
Current Institute of Directors Code of Practice for Directors		<a href="https://www.iod.org.nz/assets/About-Us/Documents/Code-of-Practice-IoD.pdf">https://www.iod.org.nz/assets/About-Us/Documents/Code-of-Practice-IoD.pdf</a>			
<b>Revision History</b>					
Summary of the development and review of the policy					
<b>Revision</b>	<b>Owner</b>	<b>Date Approved</b>	<b>Approval By</b>	<b>Next Review</b>	<b>Doc Ref</b>
1	Chief Executive	27 October 2022	Council	August 2025	#1549815
2	Chief Executive	13 February 2024	Council	August 2025	#1651729
3	Chief Executive	28 October 2025	Council	At the start of the 2028-31 triennium	#1795821
3.1	Chief Executive	21 November 2025	Chief Executive, on delegated authority; to reflect changes to the Council Committee structure resolved at the 4 November 2025 Council meeting (refer memo #1808236)	At the start of the 2028-31 triennium	#1807476
3.2	Chief Executive	24 February 2026	Council	At the start of the 2028-31 triennium	#1827272

## Appendix A: Council Organisations Subject to this Policy

	<b>Timaru District Holdings Ltd (TDHL)</b>	<b>Venture Timaru Ltd (VT)</b>
<b>Type</b>	CCTO	CCO
<b>Ownership Structure</b>	100% Council owned	100% Council owned
<b>Directors Appointments</b>	Council appoints all directors	Council appoints all directors
<b>Remuneration</b>	Paid by TDHL; fees set by Council	Paid by VT; fees set by Council
<b>Scope of Activity</b>	<p>TDHL is an investor in companies in which Council has a substantial interest, specifically, at the time of this policy:</p> <p>Alpine Energy Ltd – 47.5% shareholding</p> <p>PrimePort Timaru Ltd – 50% shareholding</p> <p>TDHL also owns a portfolio of investment properties surrounding the port in Timaru.</p>	To facilitate and support economic development and deliver tourism and business services for the District.
<b>Rationale and objectives for Council ownership</b>	To manage the commercial assets and investments of Council.	To support economic growth and tourism for the district.

These details are correct at the time this policy was approved, and are subject to change.

## Appendix B: EXAMPLE: Director Competency Framework

This table should be completed for each individual Director prior to the annual Board evaluation. The results will inform the Board’s discussion on its collective skill strengths and gaps.

Each Director should identify their top three or four skills, and grade them as follows:

(E) Expert – has strong knowledge of key concepts and principles and more than five years relevant experience

(P) Proficient – has a sound knowledge of key concepts and principles but less than three years relevant experience

(D) Developing – has a knowledge of key concepts and principles but limited direct or applied experience

Skill Area	Description	D1	D2	D3	D4	D5	D6	D7
Strategy and planning	Ability to think strategically; identify and critically assess strategic opportunities and risks. Experience to develop effective strategies in the context of the strategic objectives of the CO and TDC.							
Governance, Risk and Compliance	Experience in the application of governance principles in a commercial enterprise, public sector body or other entity.							
	Ability to identify key risks to the CO and TDC in a wide range of areas including financial, legal and regulatory compliance.							
Financial Performance	Qualifications and experience in governing commercial investment, including to: <ul style="list-style-type: none"> <li>Analyse key financial statements</li> <li>Contribute to strategic financial planning</li> <li>Oversee budgets and the efficient use of resources</li> </ul>							
Business and commercial	Experience in, or understanding of, business management principles.							
Community engagement	Understanding of, and connections with, the interests and needs of Timaru District communities, including the ability to effectively engage and communicate with key stakeholders, including iwi as appropriate.							

## Appendix C: Directors' Consent Form

### 1. Consent and Certificate of Director - (Section 152 of the Companies Act 1993)

Company Name: .....

Company Number:.....

Director's first name(s):.....

Director's surname(s):.....

*(Please ensure your full legal name is provided - Initials are not allowed)*

I consent to be a director of the above company and certify that I am not disqualified from being appointed or holding office as a director of a company

Signature:.....

*(Please read the disqualification details below)*

Date of appointment:.....

Director's residential address:.....

.....

### 2. Disqualification Details

Please ensure that you are not disqualified from being a director for this company before signing this consent form.

A person cannot be a director of a company if they are any of the following:

- a. Under 18 years of age; or
- b. An undischarged bankrupt. Search the bankruptcy database online for free at [www.insolvency.govt.nz](http://www.insolvency.govt.nz); or
- c. Prohibited from being a director or promoter of, or being concerned or taking part in the management of a company under any statutory provisions. This includes (but is not limited to) people who have been convicted of a crime involving dishonesty in the last 5 years or have been prohibited from managing a company by the Registrar of Companies. It also includes people who have been prohibited from being a director or promoter of, or being concerned or taking part in the management of, an overseas company under an order made, or notice given, under the law of a prescribed overseas jurisdiction in accordance with section 151(2)(eb) of the Companies Act 1993; or e.g. Auckland Council Property Limited 3025668; or
- d. subject to a property order under sections 30 or 31 of the Protection of Personal Property Rights Act 1988; or
- e. Not eligible because of requirements contained in the company's constitution (if any); or
- f. A person who is disqualified under another Act.

A person who is not a natural person cannot be a director of a company.

For more information refer to sections 151 and 382 to 385 of the Companies Act 1993. A copy of the Act can be viewed online for free at [www.companies.govt.nz](http://www.companies.govt.nz).

**3. Disclosure of Interests**

You are required to disclose the nature and extent (including monetary value, if quantifiable) of all interests that you have or are likely to have, in matters relating to the CCO.

**4. Other Questions**

- 4.1 Has there been (or is there now pending) any claim against you in your capacity as director, officer, secretary, board or committee member, or employee of either the company/trust or any other company, association, trust or entity?  

Yes	No
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- 4.2 Are you aware of any circumstances that might give rise to a claim against you or an investigation, examination or inquiry involving you?  

Yes	No
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- 4.3 Have you ever been involved in a company that has been in receivership or non voluntary liquidation?  

Yes	No
-----	----
- 4.4 Have you ever been involved in any criminal conduct, had a statutory demand placed on you, been the subject of any disciplinary action, been fined or penalised or been the subject of any inquiry in the last 5 years?  

Yes	No
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- 4.5 Have you ever been refused Directors and Officers Liability insurance or had an insurer refuse to renew a policy as apply special terms or conditions in relation to your cover?  

Yes	No
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If yes to any of these questions, please provide details on a separate page.

**5. Nomination Confirmation**

I, ..... (full legal name) confirm that the information I have given in this disclosure form is complete, true and correct.

In the event of any actual or potential conflict of interest or probity issue arising, I agree to promptly declare that conflict or probity issue to the Chair of the Board, who will consider how the conflict or probity issue can best be managed. I also agree to abide by any decisions about the management of that conflict or probity issue. I acknowledge that, in the event that a conflict or probity issue cannot be managed, the Chair will inform Timaru District Council. I acknowledge that, in the event I am appointed to the Board, the Timaru District Council will be informed of any interests I have declared.

I authorise the Timaru District Council and/or its nominated agency to verify the accuracy of the information I have provided in my application for appointment.

Signature: .....

Date: .....

## Appendix D: Director or External Member Appointment to Council Organisations, Committees & Subcommittees Flowchart

