

## **RELEASE OF INFORMATION**

The attached decision/information was previously included in a confidential agenda/minutes for the Tasman District Council meeting on 27 April 2023.

The reasons for withholding the information no longer apply, the information is therefore being made publicly available.

### **Moved Councillor Mackenzie/Councillor Maling**

**CN23-04-11**

#### **That the Tasman District Council**

- 1. receives the Port Nelson Limited Director Appointment report, RCN23-04-10; and**
- 2. reappointments Paul Zealand as the Council's representative on the Board of Port Nelson Limited for a three-year term beginning 1 July 2023 and finishing on 30 June 2026; and**
- 3. authorises Council staff to give notice to Paul Zealand and Port Nelson Limited of the appointment; and**
- 4. agrees that the decision and report be made publicly available once the appointment process is finalised.**

**CARRIED**

27 April 2023

**9.4 PORT NELSON LIMITED DIRECTOR APPOINTMENT - CONFIDENTIAL****Decision Required**

<b>Report To:</b>	Tasman District Council
<b>Meeting Date:</b>	27 April 2023
<b>Report Author:</b>	Tim King, Mayor; Jenna Neame, Kaihautū; Marie Callander, Senior Legal Advisor
<b>Report Number:</b>	RCN23-04-10

This report is confidential in accordance with the Local Government Official Information and Meetings Act 1987 (s7(2)(a)) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.

**1 Summary**

- 1.1 To consider the reappointment of Paul Zealand as a director of Port Nelson Limited (PNL) for a further term of three years.

**2 Draft Resolution**

**That the Tasman District Council**

- 1. receives the Port Nelson Limited Director Appointment report, RCN23-04-10; and**
- 2. reappoints Paul Zealand as the Council's representative on the Board of Port Nelson Limited for a three-year term beginning 1 July 2023 and finishing on 30 June 2026; and**
- 3. authorises Council staff to give notice to Paul Zealand and Port Nelson Limited of the appointment; and**
- 4. agrees that the decision and report be made publicly available once the appointment process is finalised.**

27 April 2023

**PORT NELSON LIMITED DIRECTOR APPOINTMENT****3 Purpose**

- 3.1 To consider the reappointment of Paul Zealand as a director of Port Nelson Limited (PNL) for a further term of three years.
- 3.2 While this report considers specifically the matter of the Council's appointment of its representative, it is acknowledged there is a separate process to fill the vacancy of the joint Nelson City Council and Tasman District Council appointed director, Jonathan Safey, whose term of appointment expires on 31 May 2023.

**4 Background and Discussion**

- 4.1 At its meeting on 21 May 2020, the Council approved the appointment of Mr Zealand as Tasman District Council's representative on the PNL board of directors for a term of three years commencing on 1 July 2020 and ending on 30 June 2023.
- 4.2 The constitution of PNL authorises the Council to appoint one director at any time and may likewise remove and/or replace that one director at any time, in each case by notice in writing to the Company signed by a duly authorised officer of the Tasman District Council.
- 4.3 The Joint Shareholders Committee (at its meeting on 17 November 2020) approved the adoption of a policy of joint appointment with Nelson City Council of all directors of Council Controlled Organisations. Although staff understand that it was the intention of both councils that the policy would cover PNL, that decision does not apply to PNL since it is a port company and not a CCO and no amendment has yet been made to the PNL constitution to provide for all directors to be jointly appointed.

**Infrastructure Holdings Limited (IHL)**

- 4.4 A key reason for the delay in amending the PNL constitution has been the incorporation of IHL to hold the shares in PNL (and Nelson Airport Limited). Once the shares in PNL are transferred to IHL, the IHL board can make any necessary amendments to the PNL constitution. However, for practical financial administration reasons, the PNL shares will not be transferred to IHL until 1 July 2023.
- 4.5 Considering this delay in amending the PNL constitution, and Mr Zealand's term ending on 30 June 2023, a decision now needs to be made about who will be appointed as the Council's representative on the PNL board.
- 4.6 In accordance with a decision of the Joint Shareholders Committee at its meeting on 15 February 2022 (as noted by the Council at its meeting on 30 June 2022), Mr Zealand (by virtue of his role as chairperson of PNL) has been appointed to the board of IHL for an initial term of 18 months which commenced on 17 January 2023.
- 4.7 Accordingly, the Mayor and staff are of the view that it is appropriate for the Council to reappoint Mr Zealand to the board of PNL for a further term of three years. This will help provide governance continuity for both PNL and IHL.

27 April 2023

**PORT NELSON LIMITED DIRECTOR APPOINTMENT**
**5 Options**

5.1 The options are outlined in the following table.

	Option	Advantage	Disadvantage
1.	Reappoint Mr Zealand as the Council's representative on the PNL board of directors	<p>Avoids the disruption to the board of IHL that would result from a new person needing to take up Mr Zealand's position on the IHL board at this early stage of its establishment.</p> <p>Allows IHL to benefit from Mr Zealand's knowledge and experience at PNL as IHL moves from establishment to operational activities.</p> <p>Provides governance continuity for both PNL and IHL.</p>	<p>The Council does not have the benefit that may result from a market recruitment process.</p>
2.	The Council does not reappoint Mr Zealand	<p>The Council would have the opportunity to obtain any benefits that may result from a market recruitment process.</p>	<p>Disruption to the board of IHL as a result from a new person needing to take up Mr Zealand's position on the IHL board at this early stage of its establishment.</p> <p>IHL would not have the benefit of Mr Zealand's knowledge and experience at PNL as IHL moves from establishment to operational activities.</p> <p>There would be a loss of continuity in governance for both PNL and IHL.</p> <p>Cost and delay inherent in initiating a market recruitment process.</p>

5.2 Option 1 is recommended.

**6 Strategy and Risks**

27 April 2023

**PORT NELSON LIMITED DIRECTOR APPOINTMENT**

- 6.1 The recruitment and appointment of directors is a relatively routine matter. The Council's strategy is focused on ensuring that the PNL board and the IHL board have the benefit of continuity of governance experience and expertise at this time of the establishment of IHL by retaining current professional directors of PNL who have been appointed to IHL.

**7 Policy / Legal Requirements / Plan**

- 7.1 The Mayor has discussed with the current deputy chairperson of the board of PNL (Mr Zealand being the chairperson) and has confirmed that, given Mr Zealand's skills and the needs of PNL, it is appropriate for the Council to reappoint Mr Zealand.
- 7.2 The board of PNL has also passed a resolution at its meeting on 21 February 2023 noting the composition of the board regarding directors' tenures and confirming support for the reappointment of Mr Zealand.

**8 Consideration of Financial or Budgetary Implications**

- 8.1 There are no financial or budgetary implications for the Council in the decision to reappoint a Director.
- 8.2 The remuneration of Directors is a company matter and Director's remuneration is met by the Company. Any successful appointee is remunerated by the Company in accordance with the current Directors' fee structure.

**9 Significance and Engagement**

- 9.1 We assess the level of significance as low. This is a routine decision and the Council can rely on their knowledge of the views and preferences of the community.

	<b>Issue</b>	<b>Level of Significance</b>	<b>Explanation of Assessment</b>
1.	Is there a high level of public interest, or is decision likely to be controversial?	No	
2.	Are there impacts on the social, economic, environmental or cultural aspects of well-being of the community in the present or future?	No	
3.	Is there a significant impact arising from duration of the effects from the decision?	No	

27 April 2023

**PORT NELSON LIMITED DIRECTOR APPOINTMENT**

	<b>Issue</b>	<b>Level of Significance</b>	<b>Explanation of Assessment</b>
4.	Does this activity contribute or detract from one of the goals in the Tasman Climate Action Plan 2019?	No	
5.	Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	Yes	
6.	Does the decision create a substantial change in the level of service provided by Council?	No	
7.	Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	No	
8.	Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	No	
9.	Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	No	
10.	Does the proposal or decision involve Council exiting from or entering into a group of activities?	No	
11.	Does the proposal require inclusion of Māori in the decision making process (consistent with s81 of the LGA)?	No	

**10 Conclusion**

10.1 An appropriate appointment process has been followed and the reappointment of Mr Zealand is recommended.

**11 Next Steps / Timeline**

11.1 If the Council agrees to the reappointment of Mr Zealand to the PNL board, the Council will write to the PNL board advising of Mr Zealand's reappointment.

27 April 2023

---

**PORT NELSON LIMITED DIRECTOR APPOINTMENT**

<b>12 Attachments</b>
-----------------------

Nil

PREVIEW