

NZIST Establishment Board Meeting 19 February 2020

Agenda item number:	3.1
Provided by:	Peter Winder, Kim Ngarimu, Tania Hodges and Barry Jordan
Title:	Subsidiary Board Director Appointments
Workstream reference:	Subsidiary governance
For:	IST Establishment Board
Status:	Appointment in confidence. There are grounds to withhold some or all of this paper under the Official Information Act in order to protect the privacy of natural persons

Recommendation

1. It is recommended the Board:
 - a) Appoint the schedule of Directors to the Subsidiary Boards, as outlined below, subject to satisfactory referee checks (including considering feedback from the Minister and TEC) and satisfactory completion of bone fides, credit and criminal record checks.
 - b) Note that there are a number of skills, representation and position gaps, and **delegate** the sub-committee authority to progress options to fill those gaps and any other gaps that may arise as a result of referee and other checking.
 - c) Note that the subcommittee will seek the Board's approval for their recommendations in due course.
 - d) Note that those gaps do not preclude progressing the recommended appointments at this time.
 - e) Note that the Board has already approved that a member of the NZIST Council will be appointed as a director on each subsidiary Board. The names of these appointments will be made once Cabinet has made its decision on the members of the Council.
 - f) Delegate the subcommittee authority to develop a proposed list of cross-appointments between subsidiaries.

Executive Summary

The IST Establishment Board is required to appoint between 4 – 8 Directors to each subsidiary company Board. At least 50% of the Board must be from the region the subsidiary serves. This paper sets out the process undertaken to identify suitable candidates and makes recommendations for appointment for each subsidiary.

Recruitment Process

The Board engaged 9(2)(a) of ForeConsulting to assist the Board manage the recruitment process.

In early December the subcommittee responsible, Peter Winder, Kim Ngarimu, Tania Hodges and Barry Jordan approved the project plan.

The process undertaken was as follows:

- Person Specifications were developed for each Subsidiary which included the general requirements for all Directors and those specific to the subsidiary, based on discussions and observations of the relationship Board Member.
- Advertisements were placed in regional newspapers as follows:
 - Northern Advocate
 - Gisborne Herald
 - Hawkes Bay Today
 - Bay of Plenty Times
 - Daily Post (Rotorua)
 - Daily News (Taranaki)
 - Wanganui Chronicle
 - Wairarapa Times Age
 - Manawatu Standard
 - Marlborough Express
 - Nelson Mail
 - West Coast Messenger
 - Southland Times
- The positions were also advertised with the Institute of Directors and Appoint Better Boards. A number of people also posted it on Linked In, with over 10,000 views.
- Applicants were directed to the IST Establishment web site where they could find further information and the person specifications asked to send their Expressions of Interest to ForeConsulting on a specially established email address with a closing date of 5pm, 7 January.
- 374 applications were received.

- 9(2)(a) reviewed all applications and identified those that, in the broadest sense, met the criteria as laid out in the person specification.
- The subcommittee met on Friday 10 January to review and develop a shortlist of individuals that would be interviewed.
- The shortlisted candidates were invited to interview at various locations around New Zealand with a panel of two Board members and one consultant. 167 candidates were shortlisted and interviewed.
- Candidates that were not shortlisted were informed on 17 January 2020.
- A set of interview questions were developed and approved by the subcommittee and were used for all interviews.
- Interviews were conducted over a four week period as follows:
 - Auckland 20 – 23 January
 - Whangarei 24 & 31 January
 - Christchurch 23 & 31 January & 11 February
 - Wellington 24 January, 3, 7,10 & 17 February
 - Masterton 29 January
 - Palmerston North 30 January
 - Invercargill 29 & 30 January
 - Hamilton 3 & 10 February
 - Rotorua 4 February
 - Tauranga 5 February
 - Blenheim 4 February
 - Nelson 4 & 5 February
 - New Plymouth 11 February
 - Greymouth 12 February
 - Napier 13 February
 - Gisborne 14 February
 - Dunedin 13 & 14 February.
- All existing Council Members who applied were interviewed including staff and student representatives.
- A skills matrix was developed with the broad requirements and specific requirements for each Board. Also included was demographic information including gender, ethnicity, iwi, mana whenua status and whether they were an existing Council member.
- A skills matrix recording which of the skills requirements each of the preferred candidates met was completed for each Board, to ascertain whether the overall composition of the Board was balanced.
- The subcommittee met on Tuesday 18 February to review individual interview panel recommendations and to make final decisions on the recommendations to appoint.

- All candidates who are recommended for appointment to a board or position other than that for which they applied have been contacted to confirm their agreement with the recommendation that has been furnished. This includes current Chairs who applied, but are not recommended for appointment as a Chair.
- Once recommendations have been approved the consultants will contact successful candidates to inform them of the next stages.
- Sub-committee members will contact personally those existing Council members who are not to be appointed to a subsidiary. This will occur during the same time period that successful candidates are contacted.
- Once the recommendations have been approved the following background checks will be completed:
 - Referee checking other than for existing Council members
 - The following bone fides and record checks for all appointees:
 - Credit
 - Anti-Money Laundering
 - Criminal Record
 - Media Search
 - Qualifications
 - Disqualified Director
 - Court Search
 - Bankruptcy
 - Directorships.
- Letters of appointment subject to satisfactory background checks will be prepared and issued to approved candidates seeking their agreement to serve as Subsidiary company director.
- Subsequent to their acceptance, further information will be provided including an invitation to attend an induction day on 19 March 2020.
- Final offers of appointment and acceptances will be completed in the last week of March with appointments taking effect 1 April 2020.
- All potential appointments will remain confidential until confirmed until the last week of March and appropriate public announcements will be made at that time.

Overall Make Up of the Subsidiary Boards

- 18% of proposed Chairs are Maori
- 25 % of proposed Chairs are women
- Across the whole network the percentage of recommended appointees that are existing Council members is 38%
- Across the whole network the percentage of recommended women appointees is 54%
- Across the whole network the percentage of recommended Maori appointees is 27%

Out of scope

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Unitec

It is recommended that a common Board be appointed to both Unitec Ltd and MIT Ltd, this is to clearly signal the intent that the two Auckland entities need to work closely together and that key decisions are to the benefit of the region.

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Out of scope							
Existing Council Member	Out of scope			Yes	Out of scope		
Gender	Out of scope			Male	Out of scope		

	Out of scope	Andrew Lesa	Out of scope
Ethnicity		Pasifica	
Iwi			
Mana Whenua			
Location		Auckland	

MIT

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