

To: Mayor and Councillors, Wellington City Council
Chairman and Councillors, Wellington Regional Council

From: Mark Blumsky, Mayor Wellington City Council
Stuart Macaskill, Chairman Wellington Regional Council

Date: 17 May 2000

Subject: Wellington Regional Stadium Trust Board Review

PUBLIC EXCLUDED

Grounds: section 48(1) (a) - that public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7

Reason section 7.2 (a) - to protect the privacy of natural persons, including that of deceased natural persons.

This report contains details of proposed appointments to the Board of the Wellington Regional Stadium Trust that should not be released until both Councils have confirmed that they wish to appoint those people to protect their privacy.

1 PURPOSE OF REPORT

This report recommends that Trustee appointments be made jointly by the Wellington City Council and Wellington Regional Council to the Wellington Regional Stadium Trust Board. This follows a **full** review of the current Board and advertising to enable the joint Council Interview Panel to consider a wide range of people.

The report also recommends that the maximum number of Trustees on the Board be increased to ten.

2 RECOMMENDATIONS

It is recommended that Wellington City Council and the Wellington Regional Council:

- (a) jointly approve the following appointments to be made to the Wellington Regional Stadium Trust Board;

REAPPOINTMENT OF CURRENT TRUSTEES

- (1) Paul Collins to be reappointed for a further term ending three years from the date the Joint Certificate is signed;
- (2) Bryan Johnson to be appointed for a further term ending one year **from** the date the Joint Certificate is signed;
- (3) Dr Ngatata Love to be reappointed for a further term ending one year **from** the date the Joint Certificate is signed;
- (4) Sir Ronald Scott to be reappointed for a further term ending two years from the date the Joint Certificate is signed;

APPOINTMENT OF NEW TRUSTEES

- (5). Dame Margaret Bazley to be appointed as a new Trustee for a term ending three years from the date the Joint Certificate is signed;
 - (6) Michael Egan to be appointed as a new Trustee for a term ending two years from the date the Joint Certificate is signed;
 - (7) John **Hunn** to be appointed as a new Trustee for a term ending one year **from** the date the Joint Certificate is signed;
- (b) jointly resolve that the remaining existing Trustees (Hon Fran Wilde, Bill Bimie, Sue Elliott and David Wale) will not be reappointed and are removed from the Wellington Regional Stadium Trust Board from the date the Joint Certificate is signed;
- (c) jointly give consent to an amendment to the Stadium Trust Deed so that not less than five nor more than ten Trustees may be appointed, noting that this increases the maximum number of Trustees who may be appointed by two and that the amendment will require the support of the Stadium Trustees and the written consent of the Minister of Local Government;
- (d) the Wellington City Council to independently resolve the Elected Member it wishes to appoint as Wellington Regional Stadium Trust Trustee for the remainder of the current triennium to be effective from the date the Minister of Local Government gives written consent to the increase in the number of Trustees (as recommended in (b) above), and that the Elected Member will be the Council's formal representative at Board meetings until that date;
- (e) the Wellington Regional Council to independently note that Cr Buchanan will continue to be the Council's formal representative at Board meetings until the date

the Minister of Local Government gives written consent to the increase in the number of Trustees, on which date the Council's 13 April 2000 resolution to appoint Cr Buchanan as Wellington Regional Stadium Trust Trustee will be effective;

- (f) authorise **officers** from the respective Councils to execute the Trust Deed amendment increasing the maximum number of Trustees on the Wellington Regional Stadium Trust from eight to ten (including affixing the Common Seal of the two Councils if necessary);
- (g) authorise the Mayor and the WRC Chairman to sign a Joint Certificate to confirm the appointment of the Wellington Regional Stadium Trust Trustees as recommended above with effect **from** the date that certificate is jointly signed;
- (h) jointly resolve that the new Wellington Regional Stadium Trust Board should be advised that the two Councils info&ally suggest that should Paul Collins be appointed by the Trustees as their Chairperson such an appointment would have the support of the two Councils;
- (i) jointly request the Wellington Regional Stadium Trust Board to recognise the significant contribution made by the Hon. Fran Wilde to the planning, development and successful completion of the Regional Stadium, and that the **Councils** suggest that she be made Patron; and
- (j) jointly resolve to express the two Councils' gratitude to the current Board in serving as the initial Trustees and congratulate the Board for constructing the Regional Stadium within the revised budget and a little ahead of schedule.

3 BACKGROUND

The Wellington Regional Stadium Trust (Stadium Trust) was jointly established by the WCC and the WRC in November 1997 and the two Councils appointed the Trustees who were on the Board of the earlier Wellington Stadium Development Trust to the ongoing Trust Board. The Stadium Development Trust was established by WCC in the interim period until the WRC was legally able to be a party to the Regional Stadium project.

While the WCC resolved to make the appointments to the Stadium Trust for one year, the WRC didn't limit the appointments in this way and this had the effect of **making** the Trustees' terms for a period of up to three years i.e. until November 2000. The current Trustees have recently been individually advised in writing that the Councils are reviewing the ongoing makeup of the Trust Board. The two Councils may jointly resolve to remove the existing Trustees at any time.

The Stadium Trust Deed provides for up to eight Trustees to be jointly appointed by the two Councils. The Trustees appointed in November 1997 by the two Councils to the Stadium Trust were as follows:

Hon. Fran Wilde (Chair);

Bill Bimie;
Paul Collins;
Sue Elliott;
Bryan Johnson;
Dr Ngatata Love;
Sir Ronald Scott; and
David Wale.

The two Councils undertook a joint review of the governance arrangements over the Stadium Trust in late 1998 and this resulted in agreement that recommendations should be made to the respective Councils that the current above-mentioned Trustees should have their appointments to the Stadium Trust confirmed until 30 April 2000. This approach was to permit the current Board to be responsible for both the completion of the Regional Stadium and its first few months of operation. While the WRC resolved to limit the current Trustee's terms to 30 April 2000, the WCC did not formally approve the same approach at that time.

4 TRUST BOARD REVIEW

In late January 2000 the Mayor and WRC Chairman jointly wrote to the Stadium Trust Chair and separately to each Trustee asking them to provide their confidential thoughts on the ongoing governance of the Stadium Trust Board along with any comments they may wish to make on their own position. The Stadium Trust Chair subsequently advised that she did not wish to be considered for reappointment beyond the current financial year. In addition several other Trustees also did not express a strong desire to be reappointed to the Trust Board by the two Councils.

In early March 2000 advertising was placed in the Wellington daily newspapers by Wheeler Campbell Consulting Ltd on behalf of the two Councils inviting people with suitable background and experience to record that interest by applying for the vacant positions. This advertising provided the two Councils with a list of some 100 new applicants in addition to those members of the current Stadium Trust Board who advised that they would like to be considered for reappointment.

A joint **WCC/WRC** Interview Panel made up of the Mayor, WRC Chairman and the two Council Chief Executives was formed to undertake the interviews. The Interview Panel met and discussed the proposed Stadium Trust Board positions with those Trustees who earlier expressed a strong interest in continuing on the Board. In addition after carefully reviewing the list of applicants, in conjunction with the recruitment consultants, the Interview Panel interviewed a number of other new applicants for possible positions on the Trust Board.

The Interview Panel was aware of the requirements of the Trust Deed for the Trust to have Trustees with experience, expertise and the necessary skills to achieve the objects of the Trust. The panel was also aware of the need to retain a good level of knowledge on the Stadium Trust Board as well as introducing some further high quality people to the Board. These requirements have been kept to the forefront by the panel during this review.

The Interview Panel considers that the current Trust Board of five - eight should be expanded to provide for a Board of five - ten members. This will ensure that the full range of expertise and knowledge is available at the Board table, including retaining good institutional knowledge of the Trust, and would permit the two Councils to each appoint an Elected Member as Trustee as outlined below. It will also provide flexibility to add a further Trustee at a future time if this is seen as desirable.

5 ELECTED MEMBER POSITIONS ON THE BOARD

The Stadium Trust Deed provides the opportunity for each Council to independently appoint one Elected Member as a Trustee. In the event that the Councils do not appoint an Elected Member the Deed provides for a nominated Elected Member (and/or Council officer) to be able to attend all Stadium Trust Board meetings as an observer with full speaking rights but not voting rights.

As the Stadium Trust has had its full entitlement of Trustees, in early 1999 the WCC nominated Cr Robert Armstrong and the WRC nominated Cr Ian Buchanan to be their Council's representatives to attend Stadium Trust Board meetings. The two Councillors have not however formally been Board Trustees over that period as the Trust had its full entitlement of eight Trustees.

The Interview Panel has recognised that both WCC and WRC are likely to wish to appoint an Elected Member as a Board Trustee as part of this review. To enable this to occur whilst retaining the expertise and knowledge required generally at the Board table the panel proposes that the Trust Deed be amended to provide for five - ten Trustees to be appointed to the Trust Board. (Currently the Deed provides for five - eight Trustees to be appointed.) The proposed change to the Deed will require the support of the Trustees, the consent of the two Councils and the consent of the Minister of Local Government.

In the circumstances the panel proposes that the Councillors who currently formally attend Stadium Trust Board meetings as Council observers should continue in that capacity until the change to the Trust Deed has been approved by the Minister. The two Councillors would then be appointed as Trustees with effect from the date the Minister provided written consent to the change to the Deed. The panel noted that WRC **confirmed** on 13 April 2000 that it wishes Cr Buchanan to be appointed as Trustee to the Stadium Trust.

The Councillor appointees will, of course, need to be subject to review at the start of each new triennium.

6 PROPOSED BOARD APPOINTMENTS

After completing all the interviews with both current Trustees and new applicants the panel has unanimously agreed that the following appointments should be recommended to the two Councils for their review and resolution.

TERMS OF APPOINTMENT

It is proposed that the terms of appointment of the Trustees be staggered over periods of one, two and three years as indicated below in order to avoid all the Trustees falling due for review in the future at the same time. The Trustees, individually or en bloc, may be removed at any time by the two Councils acting jointly.

REAPPOINTMENT OF CURRENT TRUSTEES

The panel met with the current Trustees who have expressed a strong interest in continuing on the Stadium Trust Board. **After** careful review, the Interview Panel recommends that the two Councils jointly reappoint the following four people.

- Paul Collins to be reappointed for a term ending three years from the date of appointment.
- Bryan Johnson to be reappointed for a term ending one year **from** the date of appointment.
- Dr **Ngatata** Love to be reappointed for a term ending one year from the date of appointment.
- Sir Ronald Scott to be reappointed for a term ending two years from the date of appointment.

The panel was most aware of the need to retain sound knowledge of the Regional Stadium and ongoing issues being addressed by the Trust at Board level. The panel considers that the reappointment of the above current Trustees will ensure that this knowledge is **fully** retained.

APPOINTMENT OF NEW TRUSTEES

The Interview Panel met with a number of short listed applicants and unanimously recommends that the following people be appointed as Trustees to the Regional Stadium Board. Brief background details on each person are attached as an appendix to this report.

- Dame Margaret Bazley to be appointed as a new Trustee for a term ending three years from the date of appointment.
- Michael Egan to be appointed as a new Trustee for a term ending two years from the date of appointment.
- John Hunn to be appointed as a new Trustee for a term ending one year from the date of appointment.

The panel considers that the above proposed new appointments to the Board, together with the proposed reappointment of the four current Trustees and the two Elected Members, will provide the broad range of experience and expertise required to best meet the challenges faced by the Stadium Trust.

7 PROPOSED BOARD CHAIR

The Stadium Trust Deed provides that the *Trustees* shall appoint one of the Trustees to be Chairperson. WCC's experience with its other Boards has shown that it is usually helpful if the Council indicates to the Trustees its preference for Chair. The Board Chair's position is expected to be of critical importance, particularly over the next one – two years while the Regional Stadium is settling down operationally. It is vital that the Board Chair brings both a strong knowledge of the Regional Stadium and the Trust and the time and energy to lead the Board and management so that the Stadium becomes New Zealand's premier outdoor facility fully meeting the expectations of the two settlor Councils.

The Interview Panel has carefully reviewed the position after receiving input from the current Board (meeting individually with those Trustees who clearly wish to continue on the Board) and meeting new applicants. The panel considers that it is strongly preferable that one of the current Board members, once jointly reappointed by the Councils, be confirmed by the new Trustees as Chair. The Interview Panel proposes that the Mayor and WRC Chairman informally advise the new Trustees once appointed that the two Councils consider that should Paul Collins be appointed by the Trustees as their Chairperson such an appointment would have the support of the two Councils.

8 . LATE ISSUE

A separate report has recently been provided by **officers** to each Council providing an update on the issue of whether or not the Stadium Trust is a Local Authority Trading Enterprise (**LATE**) under the revised legal definition. The implications of the Trust being confirmed as a LATE are that the two Councils would be required to charge interest on the combined **\$40m** advances made earlier to the Trust and that the Trust will lose its tax exempt status.

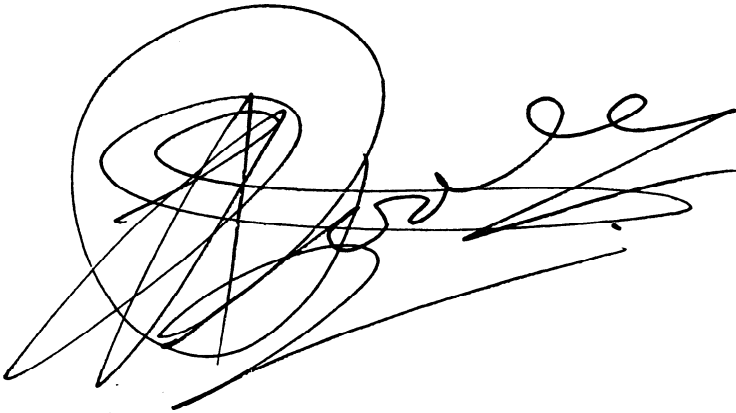
The option currently being pursued by Officers is to seek legislative amendment to the Wellington Regional Council (Stadium Empowering) Act. Another option available to avoid the Stadium Trust being confirmed as a LATE is to amend the Trust Deed to provide that the two Councils are no longer responsible for the appointment of the majority of Trustees. Any such Deed amendment will need to be approved by both Councils, the Stadium Trustees, the Minister of Local Government and the Inland Revenue Department. Clearly this option is unlikely to be satisfactory to either Council – the WRC has in fact resolved in February 1999 that it is unwilling to relinquish its current power to appoint the Trustees in conjunction with the WCC. **Officers** have therefore been reluctant to advance this option jointly to the two Councils until all other options have been fully explored.

As the possibility of the two Councils not appointing the majority of Trustees remains a viable option, legal advice has been obtained to ensure that the appointments recommended in this report would not negate the Councils making this change if this was to be jointly resolved later. This advice confirms that the option will continue to be available to the Councils. The staggering of the Board appointments in the manner proposed will also assist with introducing any such change.

9 THANKS TO HON. FRAN WILDE & CURRENT BOARD

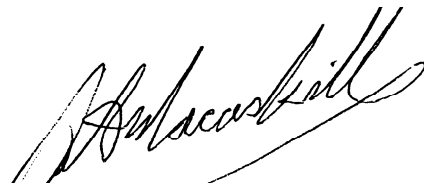
The Hon. Fran Wilde has led the Regional Stadium project from its inception, initially as Wellington Mayor, and it is considered that special recognition should be made of her input into the successful completion of the project. She championed the project in **often** difficult circumstances which culminated in the Regional Stadium being completed in late December 1999 a little ahead of schedule and within the revised budget. It is proposed that the Councils request the Stadium Trust Board to recognise Fran Wilde's significant contribution by making her Patron.

It is also most appropriate to recognise the efforts of the current Trustees and the significant contributions they have made to the successful completion of the Regional Stadium. It is proposed that the two Councils formally record their appreciation of the work undertaken by the current Trustees.



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MARK BLUMSKY
Mayor
Wellington City Council



STUART MACASKILL
Chairman
Wellington Regional Council

APPENDIX

**BACKGROUND REGARDING PROPOSED NEW TRUSTEE
APPOINTMENTS**

DAME MARGARET BAZLEY

Dame **Margaret Bazley** became Chief Executive of the new Ministry of Social Policy, which provides the Government with strategic social policy and purchase advice, in October 1999 when the Department of Social Welfare ceased to exist. Prior to this, she had held the position of Director-General of Social Welfare since **July 1 993**.

In June 1999 Dame Margaret was also appointed Chairperson of the Fire Services Commission and received a Dame Companion of New Zealand Order of Merit in recognition of her significant contribution to the New Zealand public service.

Prior to her appointment as Director-General of Social Welfare, Dame Margaret was Secretary for Transport from 1988 - 1993 where she was primarily responsible for devolution of the operating and regulatory functions of the Ministry. In the mid to late 1980s she was a Commissioner and Deputy Chairperson of the State Services Commission, playing a key role in the formation of State Owned Enterprises and the development of the State Sector Act. Dame Margaret was appointed to the Commission **after** a long career in nursing which culminated with her appointment as Director of Nursing with the then Department of Health in 1978.

MIKE EGAN

Mike Egan is a Wellington restaurateur and businessman. His current businesses include the following:

- Managing Director of “One Red Dog” restaurant.
- Director and Co-Owner of “The Crescent Group Limited”, which is a company that operates and manages the food, beverage and venue hire at Te Papa.
- Director and Co-Owner of the “Terrace Villas Limited” which is a boutique serviced apartment company with 5 1 Apartments on The Terrace.

Mike Egan is a Partner in “Lawrence, Egan and Green”, a company which oversaw the development and refurbishment of the Martinborough Hotel.

Earlier Mr Egan has also been a Director and Manager of “Dockside” and associate of the “Van Gogh” restaurant in Eastbourne.

He is currently the Wellington Branch President and National Board Member of the “Restaurant Association in New Zealand”. Mr Egan has been involved in the “Retail Promotions Board”, “Felix Foundation” (Industry Based Restaurant Excellence Awards) and the “Blair Street Promotional Trust”.

JOHN HUNN

John **Hunn** has held a number of previous appointments as Company Director. He is currently Deputy Chairman of the "Todd Corporation" and was previously Managing Director between 1990 and 1998. He is also Director of "Independent Newspapers" and "Sky Television Limited".

His previous Directorships include:

- Clear Communications (1990 - 1999)
- Director of Shortland Properties (1989 - 1999)
- Chief Executive of Development Finance Corporation
- Managing Director of Crown Corporation.

Mr Hunn is involved in sporting circles and is currently Chairman of "Cricket Wellington Incorporated" and was previously President (1995 - 1998). He is the Governor of the "NZ Sports Foundation" and Trustee of "New Zealand Business and Parliament Trust".

He has also been involved in a number of community activities including "Wellington Regional Enterprise Board", "Kapiti Coast Enterprise Trust", "Enterprise New Zealand Trust" and "Wellington Samaritans".