Report to:	**Council - Public Excluded**
Date:	27 May 2026
Subject:	Kaikōura Hurunui Water Services Limited - Appointment of Additional Director
Prepared by:	W Doughty, Chief Executive Officer
Input sought from:	C Shave – Project Manager
Authorised by:	W Doughty - Chief Executive Officer

1. PURPOSE

The purpose of this report is to formally approve the Council lead appointment of a director to the joint water services entity - Kaikōura Hurunui Water Services Limited (KHSW).

2. SUMMARY

The Kaikōura and Hurunui Districts have previously jointly appointed three independent non-executive directors to the KHSW Board. These appointments were confirmed at the extraordinary meeting of the 11th March 2026.

The constitution of Kaikōura Hurunui Water Services Limited provides for a five-person Board. Three directors to be appointed jointly by the two councils. In addition, each council will appoint one sole director at a later date.

Both Sheffield and each respective Council advertised for the two sole director roles in March and April. Four candidates for the Kaikōura appointment were interviewed by the Kaikōura agreed panel on the 8th May.

A curricula vita for the recommended candidate by the panel is attached.

3. OFFICERS RECOMMENDATION

It is recommended that the Council:

a) Appoints the following person as an independent director of Kaikōura Hurunui Water Services Limited, subject to the completion of satisfactory probity checks.

Name	Term Expires
Diane Brandish	30 June 2029

b) Authorise the Chief Executive to determine the release of this public excluded report.

4. REASON FOR RECOMMENDATION

The Kaikōura and Hurunui District Councils have previously agreed to work together to establish a joint Water Services Council Controlled Organisation to provide water services in the two districts.

The Councils have previously jointly appointed three directors to the board in March 2026. Under the constitution, each shareholder council will appoint one further independent director.

Under section 48 of the Local Government (Water Services) Act 2025, directors must be appointed on the basis of their competency to perform the role. Also, it is a requirement that the directors collectively have an appropriate mix of skills, knowledge and experience in relation to providing water services.

The recommended candidate was interviewed and unanimously agreed by the Kaikōura panel members to put forward for formal Council approval.

Some probity checks have already been completed and others are in progress and likely to be completed shortly. Accordingly, the appointments are subject to completion of the remaining checks.

5. OTHER OPTIONS

The Council could decide not to appoint the recommended candidate.
The Council could ask to meet the candidates prior to appointment.

6. BACKGROUND

Summary of actions/activity to date

The two Councils adopted a policy for the Appointment and Remuneration of Directors in January 2026 (In the case of the Hurunui District Council, there was a previous policy, which was updated during January). Three non-executive directors were jointly appointed in March 2026.

During March and April, Sheffield and the two respective Councils commenced recruitment of the three non-executive directors to be jointly appointed by the Hurunui and Kaikōura District Councils. Expressions of interest were received from 14 people for Kaikōura with Sheffield recommending consideration of 10. Each Chief Executive Officer prepared a short list of 4 candidates for each Council panel to interview.

During the interviews the panel considered the skills and experience of each candidate and their complementary skills to the existing director appointments. It was unanimously agreed that Diane Brandish represented the best complementary skills sets, including strong local government experience and understanding of the Kaikōura District and our water services delivery.

It was acknowledged that should Diane be successfully appointed that there would be a conflict of interest with her current director role on the IWK board and that it would not be possible to undertake both. At this point in time, it is not believed that there would be a conflict of interest with Diane remaining on Kaikōura District Council's Audit and Risk Committee and that should any specific conflict of interest emerge that this could be appropriately managed.

An updated Director's skills matrix and the curricula vita is attached in the appendices.

Term of appointment

It has previously been proposed that the directors would be appointed for staggered terms of one, two and three years. However, it is proposed that all directors will each be appointed for a term of three years and that staggered terms be considered if directors are re-appointed for a second term.

7. LEGAL AND POLICY IMPLICATIONS

Local Government (Water Services) Act 2025

Under section 48 of the Local Government (Water Services) Act 2025:

- Directors of water organisations must be appointed based on their competency to perform the role;
- Directors must collectively have an appropriate mix of skills, knowledge and experience regarding the provision of water services; and
- Due to statutory restrictions, elected members, council staff and water organisation staff cannot serve as directors in the water organisation.

Companies Act 1993

Section 151 of the Companies Act 1993 sets out various matters which disqualify people from being appointed or holding office as company directors including (but not limited to):

- Persons under 18 years of age;
- Someone who is an undischarged bankrupt;

- A person who is banned by a court, the Registrar of Companies, or the Financial Markets Authority due to "unfit conduct" or serious mismanagement;
- Persons convicted of crimes involving dishonesty (e.g., fraud, theft) or offences related to the promotion, formation, or management of a company within the last 5 years;
- Anyone declared to be of unsound mind by a competent court; and
- Persons subject to a property order under the Protection of Personal and Property Rights Act 1988.

Shareholders' Agreement

The Shareholders' Agreement:

- specifies the initial shareholding
- provides that the appointment of "jointly appointed board members" requires the approval of all the shareholders; and
- sets out a Directors' Skills Matrix, which specifies the skills which are required between the Board members.

Constitution

Under clause 9.3 of the Constitution, directors may be appointed for a term of up to three years.

Clause 9.4 of the Constitution states:

> In exercising their powers of appointment under clause 9.2 and voting on an Ordinary Resolution to appoint a Director under clause 9.3, the Shareholders shall consider whether the proposed appointee has the skills, knowledge, or experience to:
> a) guide the Company, given the nature and scope of its activities; and
> b) contribute to the achievement of the objectives of the Company,
> by reference to the Board Skills Matrix, with the aim of ensuring that the Board as a whole has the skills required by the Board Skills Matrix.

8. DELEGATIONS

In April 2026 Council agreed representation for an interview panel for the recruitment of the sole director. This included Mayor Craig Mackle, Councillor Redwood, Councillor Diver and Will Doughty as CEO.

The decision to appoint the joint directors must be made by Kaikōura District Council.

9. FINANCIAL CONSIDERATIONS

[redacted]

10. SIGNIFICANCE AND ENGAGEMENT ASSESSMENT

Requirement	Explanation
Level of significance and rationale	The significance of this report is considered to be high, as the directors will be responsible for setting the strategic direction for the new WSCCO, and the provision of water services across the two districts.
Summary of engagement already undertaken	The two councils consulted with their communities prior to resolving that their preferred option was to establish a joint WSCCO.

Consideration of mana whenua?	This decision does not involve a significant decision in relation to ancestral land, a body of water or other elements of intrinsic value.
Consideration of Local Government Wellbeings	The manner in which water services are delivered may have an impact on all four local government wellbeings (social, economic, environmental and cultural).

11. NEXT STEPS

Date	Action	Detail
May 2026	Appointment of remaining directors	
From 1 July 2026 onwards	Transfer of assets and personnel to the joint WSCCO	

12. COMMUNITY OUTCOMES SUPPORTED



Community
We communicate, engage and inform our community



Development
We promote and support the development of our economy



Services
Our services and infrastructure are cost effective, efficient and fit-for-purpose



Environment
We value and protect our environment



Future
We work with our community and our partners to create a better place for future generations

Appendices:

Appendix 1: Alignment of Candidate skill sets with the agreed directors' skills matrix
Appendix 2: Curricula vitae of the preferred candidate

Appendix 1 and 2 are withheld - Section 7(2)(a) - To protect the privacy of natural persons

Appendix 1: Alignment of Candidate skill sets with the agreed directors' skills matrix

Board Skills Matrix Attribute (from the constitution)	Lee Babe	Ross Pickworth	Karl Smith	Diane Brandish
Core skills (required by 1):				
• Previous governance experience	Yes	Yes	Yes	Yes
• Financial literacy and strategic focus	Yes	Yes	Yes	Yes
Specialist skills (at least 1 director):				
• Infrastructure governance (includes understanding of core asset management principles)	Yes	Yes	Yes	Yes
• Risk management (may include public health, health and safety, environment)	Yes Health and safety	Yes Health & safety	Yes Health & safety	Yes (all)
• Legal	-	-	-	-
• Regulatory and compliance	Yes	Yes	Yes	Yes
• Additional financial skills	-	-	Yes	Yes
• Stakeholder engagement and external representation (ability to effectively represent the organisation with media, community, other council controlled organisations and regulators such as the Commerce Commission)	Yes	Yes	Yes	Yes
• Political acumen and broader networks	Yes	Yes	Yes	Yes
Additional desirable skills (at least 1 director):				
• Water sector expertise	Yes	-	-	Yes
• Compliance (not assessed)	n/a	n/a	n/a	
• Technology/cybersecurity	-	-	Yes	
• Community focus/interest/linkages	-	-	-	Yes
• Understanding of rural and/or mixed urban/rural needs (not assessed)	n/a	n/a	n/a	Yes
• Cultural competency (demonstrated depth of understanding and experience engaging with diverse cultures)	Yes	-	-	Yes
• Human resources (including CEO performance management)	Yes	Yes	Yes	-
Key behavioural attributes (all directors):				
• *Integrity & ethical conduct*				
• *Collaboration*				
• *Innovative and inquisitive mindset*				
• *Respectful engagement*				
• *Open-mindedness*				
• *Commitment*				