

Report PE 07.309
Date 14 May 2007
File WRS/08/01/01

Committee Council
Author Sir John Anderson, Chairman, Wellington Regional
Strategy Committee

Regional EDA Board Appointments

1. Purpose

To seek the Council's approval for the appointment of eight directors to the Board of Regional EDA Limited (the Company). In addition, to seek the Council's approval to increase the maximum number of directors for the Company from seven to eight.

2. Significance of the decision

The matters for decision in this report do not trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Exclusion of the public

Grounds for exclusion of the public under section 48(1) of the Local Government Official Information and Meetings Act 1987 are:

The information contained in this report contains information relating to the appointment of directors to the region's economic development agency. Release of this information would prejudice their privacy by disclosing the fact that they are being considered as directors of the region's economic development agency. Greater Wellington has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override his privacy.

4. Background

The Council established a regional economic development agency (Regional EDA Ltd) at its meeting on the 13 March 2007 (see report 07.121). The purpose of the company is to implement the economic development components of the Wellington Regional Strategy.

At the same meeting the Council appointed three directors for an interim period until the full board could be appointed (refer report 07.122). The current members are:

- Murray McCaw (Chair)
- John Lumsden
- James Ogden.

5. Proposed Board Appointees

5.1 Selection Process

The WRS Committee, at its meeting on the 6 March 2007 agreed a process for the selection of board members. This was a process led by the Chairman of the WRS Committee (Sir John Anderson) and supported by the Chief Executives Group.

A long list of candidates was constructed through existing central government databases and names put forward by the Councils in the region. This was then considered by the Chief Executives Group and a shortened list was provided to Sir John.

Sir John, in consultation with WRS Committee members, reduced the list to seven names. The availability of each of the preferred candidates was then confirmed.

5.2 Recommended Board Appointees

The following seven people are recommended for appointment.

B Albiston	-	CEO major export company of services and products.
M Bain	-	Positively Wellington Business transition - financial skills.
V Beck	-	Younger CEO with commercial and management expertise.
J Lumsden	-	Wellington Chamber of Commerce – commercial skills.
M McCaw	-	Forum transition – financial and commercial skills.
J McFadzean	-	Farming and business expertise.
Tan Pham	-	Commercial and exporting expertise, particularly in Asia

B Albiston:

Brent Albiston is Managing Director of Radiola Aerospace.

Radiola Corporation is an unusual mix-consumer electronics distribution and high-tech contracting. While much of its business is in distribution of domestic electronics, a growing part of the business is communications, radio and navigation organisations and world wide. Radiola, whose current turnover exceeds \$60 million, has operated and exported their services to 17 countries.

Murray Bain:

Recently appointed as FRST CEO. Former senior management roles in banking and health insurance. Strong finance, banking, commercial background and

knowledge of Crown sector. Governances roles in IT and related start up companies. Former Board member, Environmental Science & Research (ESR) Director, Total Metering Limited 1998 – present (high technology, high growth metering and services company).

Director, Oryx Technologies Limited 2001 – present (web development company)

Director, Institute of Environmental Science & Research Ltd 2002 – 2004 (CRI)

Viv Beck:

March 2001 Chief Executive, Communication Arts (CommArts). Currently Board Member of Wellington Museums Trust. Held positions as General Manager Communications, New Zealand Post (1996-2001), Member of senior management team, New Zealand Post (1997-2001), General Manager Stamps, New Zealand Post (1999-2001).

John Lumsden:

President of the Wellington Chamber of Commerce. From 1992 to 2007 he was the enthusiastic Chief Executive of MetService which provides national weather forecast services. MetService is now a successful commercial exporter to the global energy and TV industries and has a major contract with the BBC.

John currently runs Growlypaw Limited which he has established to provide help to growing enterprises.

Murray McCaw:

Transition Board Chair – known to Greater Wellington.

John McFadzean:

Farmer and businessman who has extensive farm holdings in the Wairarapa.

Tan Pham:

Executive Director of AC Consulting Group, a privately owned, independent, multi-disciplinary engineering design and project management consultancy.

Based in Wellington, New Zealand, with offices in Auckland, Christchurch and Melbourne, the company operates throughout New Zealand, Australia and the South Pacific, and in parts of Asia and Europe. Worked in Vietnam, New Zealand, USA, UK, Switzerland, Philippines, Fiji, Laos, Cook Islands and Australia.

Council Member of the Asian Studies Institute of Victoria.

5.3 Chair of Positively Wellington Tourism

In addition to the seven people above the WRS Committee is recommending that the Chair of Positively Wellington Tourism (currently Glenys Coughlan) be appointed as a director. The Committee believes it is important that Positively

Wellington Tourism and the Economic Development Agency (EDA) work together co-operatively on the development of tourism for the region.

5.4 Chairman

The WRS Committee is recommending Murray McCaw be appointed Chair of the Board for an initial three year term. Murray brings to the Board significant knowledge of the Wellington Regional Strategy (WRS) and the Committee believes it is important that the momentum Murray has started in his role as Chair of the WRS Forum be maintained.

5.5 Directors' Terms

The initial term of Board appointment is recommended as being three years, at which stage three Directors will come up for re-appointment, and thereafter two Directors, by rotation will come up for re-appointment in the following years.

5.6 Board Make-Up

The recommended Board includes candidates that have had extensive experience and success in business, and have a range of financial and commercial skills. The WRS Committee agreed this is appropriate in the initial start-up phase, however when the re-appointment process commences:

- The introduction of some younger (circa 40) proven business leaders should be sought.
- It is important there is a balance of gender. Sir John, in making his recommendations to the WRS Committee noted that the list of potential nominees from which the recommendations were made, was rather short in gender equality. He observed that, with the appointment of the Positively Wellington Tourism Chair, there is some better representation of female Directors, however this can look to be expanded in three years time.

5.7 Board's initial role

The Board's initial role is to conduct a professional process for the employment of the Chief Executive of the EDA.

5.8 Education

The WRS currently includes some wide ranging and far reaching aims in regard to the tertiary sector. The WRS Committee agreed that the tertiary sector initiatives should be managed by a pro-bono Advisory Board including members from the tertiary cluster, and the wider tertiary sector. Sir John reported that initial discussions have been held with Linda Sissons in identifying some suitable candidates.

It is envisaged the new EDA Chief Executive would chair this Board, reporting back in detail to the EDA Board.

6. Constitution of the Company

Currently the Constitution of the Company limits the maximum number of the Directors to seven. The WRS Committee is recommending that this be increased to eight, which can be done by special resolution of the shareholder, Greater Wellington.

7. Remuneration of Directors

The Directors of Regional EDA Ltd currently receive \$1,000 per month. When this rate was set at the Council meeting on the 13 March 2007, it was envisaged that the remuneration would be reviewed when the final Board was appointed.

Work is currently underway to review the remuneration level and this will be reported to the WRS Committee at its next meeting in June. Any recommended changes to the current remuneration will be reported back to the Council after that meeting.

8. Council's decision

The WRS Committee's Terms of Reference record that:

4(a) The Council has agreed that it will not act independently of the Committee, so that any committee recommendations that the Council is not prepared to accept will be referred back to the Committee for further consideration.

Therefore, if the Council does not agree with the recommendations of the WRS Committee in this instance it will need to refer the matters back to the Committee.

9. Communication

A press release will be prepared for release after consideration of the appointments by Greater Wellington.

10. Recommendations

That the Council:

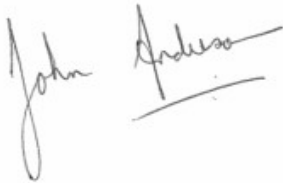
- 1. Receives the report.*
- 2. Notes the content of the report.*
- 3. Recommends that the maximum number of Directors of the Regional EDA Ltd be increased from seven to eight.*
- 4. Recommends the following candidates be appointed as Directors to the Board of the Company:*

*B Albiston
M Bain
V Beck
J Lumsden*

*M McCaw
J McFadzean
Tan Pham
G Coughlan (Chair of Positively Wellington Tourism)*

5. ***Recommends*** that Mr McCaw be appointed Chairman of the Company for an initial three year term.
6. ***Notes*** the recommendation that an Education Advisory Board be formed by the Chief Executive of the EDA to ensure the wider tertiary sector is included in developing and implementing a co-ordinated wider regional strategy.
7. ***Notes*** that the term of appointment will be initially for three years.

Report prepared by:



Sir John Anderson
Chairman, Wellington
Regional Strategy Committee

Public excluded