

# boardroom

Magazine of the Institute of Directors in New Zealand

## VIEW FROM THE TOP

*How futurism can offer  
a commanding vision*

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GREAT DIRECTOR?**

**SHOULD WHISTLEBLOWERS  
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## FROM THE EDITOR

Welcome to *boardroom*, re-designed and re-launched to run as a bi-monthly magazine from this April onwards. The aim has been to retain those parts of the previous publication that you enjoyed and build on the magazine format to create a more engaging read.

On alternate months we'll be keeping you updated on IoD events, courses and policy through an e-newsletter issued on the second week of the month.

This first issue of new-look *boardroom* is timed for release alongside the IoD's AGM and its first-ever large scale national conference – Leadership Beyond the Boardroom. We've followed the theme in this issue with an interview with conference keynote speaker – far-seeing Edie Weiner.

Other features ask what defines a leader or a director. You might be intrigued to know that the words 'team' and 'teamwork' came up frequently in several of the articles.

Ultimately, this is your magazine and if there are issues you would like to raise or see explored in *boardroom* in future, please let me know.

**Katherine Robinson**  
Editor, *boardroom*



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## Institute of Directors (IoD)

*The IoD has staff based at the National Office in Wellington, and eight branch managers based in the regions. For National Office, telephone 04 499 0076. For branch managers' contact details see Branch Events, page 25*

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## CEO REPORT

# Investing in the Future



Ralph Chivers

The lead article in this newly re-launched issue of **boardroom**, focuses on New York-based futurist Edie Weiner. Edie, in New Zealand as the keynote speaker for the IoD's first national conference, researches the present to better understand the future. She's advised the US Congress and numerous Fortune 500 companies and believes that the future can be grasped from correctly reading – and not ignoring – the effect of present actions, events or trends.

It's an attractive concept. Given the complexities of today's world, it is not surprising that futurism has become a useful tool of trade for businesses and governments. Charged with oversight of an organisation, directors need to be able to see beyond the road ahead to be able to make informed decisions that will impact on the organisation's future.

At the IoD, we also focus on the future. It's implicit in our Director Development programme, for instance, which offers directors the knowledge and skills that will equip them to perform both current and future roles. It's clear that as directors, you too, clearly see training as a worthwhile investment in your future. Early indications are that 2013 promises to be another great year for course enrolments.

While training lays solid foundations for greater professionalism in the boardroom, I believe that it is the hallmark of a professional body to be able to set the benchmarks for the levels of skills and knowledge of its membership. It builds confidence not only from stakeholders and the wider public – but also within practitioners themselves. For these reasons

we have pushed a review and reworking of Accreditation high up on our agenda for 2013 with the aim of creating a Professional Director pathway. As the consultation process concludes, we will be keeping members informed on developments.

Other positive IoD initiatives focus on investing in developing the pipeline for both an emerging and more diverse generation of directors. The Mentoring for Diversity programme, reduction of IoD membership fees for young directors, the recent launch of the Future Director scheme and the branch's long-standing Aspiring Director awards are all aimed at securing a high standard of governance in the years ahead.

Forward thinking also informs the IoD's role as advocate for the director community's interests in the public arena, and most particularly on relevant pieces of legislation. In uncertain times, it is vital that policy ensures that New Zealand businesses flourish and that legislation helps rather than hinders growth, productivity and the creation of jobs.

We will continue to add our voice on proposed pieces of legislation such as the Companies and Limited Partnerships Amendment Bill. The IoD made a written and oral submission in support of the Bill's central premise (a more efficient market economy and financial markets that investors can have confidence in).

However, while the Select Committee made a number of changes to the legislation, the criminalisation of core director duties was not removed. The IoD is concerned that this will impact upon on legitimate business risk-taking and attracting director talent.

***“Forward thinking also informs the IoD's role as advocate for the director community's interests in the public arena”***

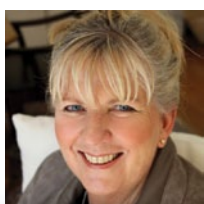
The IoD, along with a number of other businesses and organisations, has continued to work with officials to try and address those concerns. To date there hasn't been a resolution but we are hopeful that we can help create a solution that doesn't have unintended consequences further down the track.

Unfortunately, preparing for the future sometimes stems from learning from the most bitter lessons of the past. Prompted by the Royal Commission report into the tragedy at Pike River, the IoD is working with the Ministry of Business, Innovation and Employment (MBIE) to develop a resource that will guide directors on health and safety practices and help prevent such a tragedy happening again.

To conclude, at time of writing, National Office was deep in preparations for the IoD's first national conference – Leadership Beyond the Boardroom. Looking over the programme and the stellar line up of speakers, I can only add my voice to say that it promises to challenge thinking, build connections, and perhaps, provide a lens for looking forward into the future.

# Update

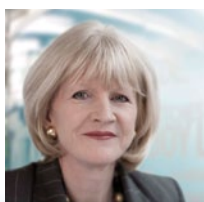
## RECENT MOVES



IoD Fellow Sue Suckling OBE has been appointed as a director of the recently established New Zealand Health Innovation Hub. Sue

was appointed as a SKYCITY director in 2011 and is the chair of Callaghan Innovation, ECL Group, Barker Fruit Processors and NZQA.

IoD course facilitator, Richard Westlake has been made Judging Panel Chairman of the Deloitte Energy Excellence Awards.



Joan Withers, the chair of State-owned power company MightyRiverPower, joins the board of ANZ New Zealand from the

start of July. Withers heads the board at Auckland International Airport and is deputy chair of Television New Zealand.

Wellington branch committee member Brian Steele has been appointed as chair of the advisory board of Flexitime.



Scan for the latest IoD News

## MENTEES MEET UP

The IoD's 2013 Mentoring for Diversity (MfD) programme kicked off early this year with both mentors and mentees having met two or three times. Taking on board feedback from last year's inaugural programme, the IoD has also organised more opportunities for the mentees to meet, network and share experiences over the course of the year.

## REDUCED FEES FOR UNDER-40S

The IoD is pleased to offer reduced membership fees for those under-40 who wish to join.

"We think it is vital to develop director talent at all stages of a governance career," says IoD CEO Ralph Chivers.

The annual membership fee for under-40s is now \$250 including GST. There is no joining fee for those under-40 until October 2013 when there will be a reduced fee of \$75 including GST.

## COULDN'T MAKE IT TO THE IOD NATIONAL CONFERENCE?

We will be putting together a round-up of the highlights on [www.iod.org.nz](http://www.iod.org.nz), as YouTube clips and in the e-newsletter. And look out for interviews with key speakers in *boardroom*.

## PIKE RIVER TRAGEDY LEADS TO HEALTH AND SAFETY GUIDELINES

Following the recommendation of the Royal Commission on the Pike River Mine Tragedy the IoD has been working with the Ministry of Business, Innovation and

Employment (MBIE) to develop a code of practice to guide directors on health and safety practices. *Good Governance Practices for Managing Health and Safety Risks* is now well advanced and is shaping up to be an excellent resource for directors. It contains information about the role of a director in health and safety including policies, implementation, compliance and leadership.

It is expected to be completed and published in May and produced in print and electronically. All *boardroom* readers will receive a copy of the full document with the June edition of *boardroom*.

## FUTURE DIRECTORS

Designed to develop the next generation of directors, Future Directors, launched in March this year, has attracted considerable interest. Selected candidates will sit at the board table of participating New Zealand public companies for a 12-month period. Although they cannot take part in decision-making, they can participate in discussions and see boards in action.

Administered by the IoD with the backing of the Shareholders Association, the scheme drew early support from both Auckland Airport Ltd and The Warehouse Ltd.

**WRITE TO US** From June 2013, we will be running a Letters Page in *boardroom* with the star letter winning a \$250 voucher to be used on a night's accommodation at Wellington's Museum Art Hotel\* [www.museumhotel.co.nz](http://www.museumhotel.co.nz)

If you would like to raise an issue or comment on anything in the magazine, please email [katherine.robinson@iod.org.nz](mailto:katherine.robinson@iod.org.nz)



## Taking Your Views on Board

Late last year we distributed to all our members the consultation document *Chartered Professional Director: Creating a Pathway*. The paper provided a framework for member and stakeholder feedback on the development of a professional pathway to replace the IoD's current Accreditation programme. The paper was not an end in itself: it was designed to stimulate discussion, and allow for the generation of further ideas as to how the IoD might proceed. The consultation period was set for 18 December 2012 to 22 February 2013.

Simon Arcus (Manager, Board Services) and Lisa Docherty (Project Leader) said that they have very much enjoyed speaking face-to-face with more than 60 members at the focus group session. Members attending were at various stages of their governance careers – from Distinguished Fellows, a former Chair of the Accreditation Board and members of the IoD's Special Interest Group, to current and former mentees, and a group of active and enthusiastic emerging directors. As we hoped, some themes emerged from the consultation.

In the online survey, the majority of members responded "agree" to all of the ten specific questions asked. However, almost half of all respondents qualified their response in the comments space. This was not unexpected as we knew the high-level consultation would require some drilling down into the detail. Comments raised a range of views that we were able to discuss further in focus groups. Overall, there was strong support for the concept of a professional pathway, with diverse views regarding what it might look like, and how it might be achieved.

### WHAT ARE THE NEXT STEPS?

We believe that the success of the consultation process can be measured by the extent to which our thinking developed throughout the process. The most significant shifts were in discussions regarding our approach to assessment (and subsequently questions regarding an ethics course and equivalencies), and peer esteem.

A new question arose regarding how the pathway might fit into the membership structure, often in the course of a larger conversation about the value of membership and the (added) value of attaining accreditation.

The challenge now is to take all this feedback on board and come up with a proposal for the future to be considered by the IoD Council. We will keep members closely updated on developments.

**While the formal consultation is concluded we'd still love to hear from you. Please email: [lisa.docherty@iod.org.nz](mailto:lisa.docherty@iod.org.nz)**

### CONSULTATION PROCESS

#### The IoD has:

- distributed the consultation paper to our members
- received 116 online submissions
- conducted seven focus groups throughout the country
- received email and in-person feedback from members
- engaged in key stakeholder meetings (with COMU, the Serious Fraud Office, the Financial Markets Authority, the Auditor-General, Ministry of Business, Innovation and Employment and the Reserve Bank).

## Company Directors' Course

*The heart of our Director Development training programme, this week-long residential course provides a comprehensive understanding of the role, duties, skills and knowledge required for competent directorship in New Zealand.*

### COMPANY DIRECTORS' COURSE, AUCKLAND, FEBRUARY 2013



**FRONT ROW:** Henri Eliot, Ally Cui, Cecilia Tarrant, Justine Wilmoth, Meng Cheong, Adam Muldoon  
**BACK ROW:** John Bone, Ed Connolly, Malcolm Johns, Neil Watkins, Andrew Crossland, Dieter Adam, Mark Sorensen, Dermot Ross, Jacqui Bensemann

### COMPANY DIRECTORS' COURSE, WELLINGTON, MARCH 2013



**FRONT ROW:** Hamish Douch, Lucy Haberfield, John Beaglehole, Ian Palliser, Jarrod Buchanan, Kiriwaitangi Rei, Mervyn Dallas, Mike Bush, Simon Arcus, Gary Lockyer  
**SECOND ROW:** Geoff Cooper, Deb Te Kawa, Joe O'Connell, Anthea Penny, Kandi Ngataki, Richard Wanhill  
**THIRD ROW:** Rebecca Boyack, Nick Thomas, Dr Jeremy Sharr, Malcom Nitschke  
**BACK ROW:** Tim Tahapehi, Dr Paul Hodgson, Phil Hinton, Jurgen Kessel

### IOD BY NUMBERS\*

**5711**  
Members

**65**  
The average number of new members joining every month

**30**  
per cent of these new members are women

**2100**  
IoD members and non-members are in the IoD's LinkedIn Group

# Eyes on the Future

*US futurist Edie Weiner is in New Zealand this month to deliver the keynote speech at the IoD's first national conference. She talks to Katherine Edmond about reading social trends to better understand the future, and what it was like to be the US's youngest-ever female independent director*





Any suggestion that Edie Weiner can predict the future brings a quick response. “I understand the future but I don’t predict it.

“For example, we (Edie leads a leading futurist consulting group in the United States) wrote a lot about the forces fuelling terrorism and the likelihood that a major attack was coming, but we didn’t know the day and time or exactly what would happen.”

But for those who listen – and Weiner, Edrich, Brown Inc. has worked with clients ranging from the United States Congress to many Fortune 500 companies – that knowledge helps them pick opportunities and avoid pitfalls.

The intelligence is gathered through hundreds of hours of careful reading on social, economic, political, technological, demographic and environmental trends. The information is regularly synthesised into abstracts and they inform themes developed by the company and shared with its clients throughout the year.

While many successful businesses have cottoned onto the benefits of getting a futurist’s perspective, Edie says getting people’s attention remains a challenge.

“If it’s not convenient, or it’s too scary, people don’t want to hear it.” She uses the global financial crisis as an example.

“It is not a recession and never was but a fundamental transformation driven by rapidly converging technologies. We’ve had similar transformations in the past such as when we moved from an agricultural to an industrial age. The financial meltdown in the mid-2000s gave

companies an excuse to get rid of workers they no longer needed but the reality is the jobs are not coming back because technology is doing much of the work people used to do, and that will continue.

“It was also highly predictable. Back in the early 1990s, my company said we’d be lucky to go more than 15 years before there’d be another gut-wrenching transformation.”

Edie says those who are stuck in the view that we’re in a cyclical recession and throwing money at the problem will bring jobs back are missing the opportunities in the current situation.

#### TAPPING INTO IMAGINATION

One of her recent initiatives has been to start a Swellness Movement, in which a “band of roving imaginers” regularly goes on retreat and pools brain power to come up with hundreds of ideas for harnessing the power of technology into the future. Edie has enlisted business innovators, academics and creative designers to the cause.

“I’m so tired of trying to fix the broken structures of the past and of all the negative imagining of future scenarios. Sure, climate change, terrorism, cyber security, water shortages and a whole host of other problems are coming but it’s not all bad. We also owe it to our children to seed positive scenarios as well.”

A recent retreat focused on nature, says Edie, with the group challenged to come up with new product ideas that incorporated nature or suggest how they would respond if contracted to bring nature into settings such as a prison environment.

***“If it’s not convenient, or it’s too scary, people don’t want to hear it.”***

“You have to ask ridiculous questions, things that are not connected with people’s normal experience. That’s the only way to make them think imaginatively.”

The ideas will be worked into business proposals and put out to entrepreneurs through a website with some requiring investment and others offered free.

#### WOMEN IN GOVERNANCE – ON THE FRONTIER

Becoming a futurist was accidental says Edie. “The trade association I went to work for after graduating from college became a pioneer in social values tracking and in creating an early warning system. I got in on the ground level of developing both.”

But it wasn’t just being in the right place at the right time. Edie is herself a pioneer who, at 29, when she had just started her own business, became the youngest woman ever elected as an independent to a corporate board in the United States. She has since served on more than 30 boards in the private, public, government and non-for-profit sectors.

That first role was with a mutual insurance company and Edie was approached by the CEO.

***“You have to ask ridiculous questions, things that are not connected with people’s normal experience. That’s the only way to make them think imaginatively.”***

“I spent most of the conversation thinking he wanted me to recommend some other woman to fill the role. It was only when he said that even though it was a token position, he was damned if he was going to put a token woman in it, I realised he wanted me!”

Soon after, Edie was invited to a meeting organised by a group fighting to have more women in governance roles. “There were 17 women there from the whole of the United States and I was 40 years younger than just about all of them.” Edie went on to help found the global group, Women Corporate Directors. She says although the situation regarding women directors today is “magnificently different” than when she started in governance, “the statistics are still depressing”.

Her early days in governance roles were difficult. “I had virtually no mentors and was pretty much alone in being prepared to stand up to the CEO. I probably got a reputation for being a thorn in the side of the status quo but what I was actually trying to be was a proper director.

“It takes both ambition and guts to be a good board member. You have to question what management is telling you and ensure the long-term picture isn’t obscured by day-to-day issues.”

Edie says the need for shareholders to be the first to benefit from company activities,

which started becoming a priority in the 1970s, goes against long-term interests.

“Originally, it was the workers who benefitted first from business success, then customers, through better prices and improved quality, then the community the business was located in and, finally, investors.

“That provided an incentive to focus on the long-term health of the company because investors were last to collect. I see the role of those involved in governance is to behave ethically and look after the long-term prosperity and resilience of the company.”

She says if “the masses” are going to participate in ownership of businesses, which is one of the most effective ways for them to access wealth, they have to be able to trust companies.

#### **DIRECTING THE FUTURE**

Although Edie’s skills as a futurist weren’t a prerequisite for her governance roles, they have often helped.

“Take the way businesses respond to a world that is moving ahead at break-neck speed. Many Fortune 500 companies only have a life span of about 15 years because what they do becomes obsolete or is replaced by something better.

“It’s the role of the board and its advisors to ensure the company has the resilience to withstand the stresses





***"I'm so tired of trying to fix the broken structures of the past and of all the negative imagining of future scenarios. We also owe it to our children to seed positive scenarios as well."***

and pressures of a fast-changing environment and, if possible, see the competition coming and get ahead of it."

Back on the bigger picture, Edie sees climatic and geological events as being increasingly significant for New Zealand and other countries in the Pacific.

"We have so much valuable property in harm's way. What were once bungalows and fishing villages are now prime real estate and, with rising water levels, many Pacific Island areas (but also New York, San Francisco and Hong Kong!) will be in danger."

Staying in the Pacific, Edie believes "Australia's relationship with China vis-à-vis the United States will face difficult dilemmas and that could affect New Zealand".

"As climate and geologic turbulence threatens China's ability to provide for its own population the need to go elsewhere for natural resources will become even more of an economic influencer.

"China will be looking to the Pacific but Pacific countries are not going to give China the responsibility for global security – they will want the US to take a lead on that. So any destabilisation of the balance between resources and security in the region, especially resulting from massive events, will affect alliances, trade, independence and civil security."

And when it comes to the question of whether Edie's understanding of what lies ahead translates into decisions in her personal life, she is quite clear about the answer.

"I bought an apartment in Manhattan that is two blocks in from the East River (which rose over the island during Hurricane Sandy), hoping I would be far enough back and this time I was.

"I also bought my vacation home high in the mountains in Pennsylvania, far from the ocean and in a cooler area, which should give me some protection from global warming. It's also far from any terrorist interests, in a large agricultural region and in a community that has its own water treatment plants and sewer lines.

"I bought that house 27 years ago! I definitely do make many decisions in my life based on my ability to see far forward."

Edie Weiner is president of Weiner, Edrich, Brown, Inc, a leading futurist consulting group. Formed in 1977, WEB has served over 400 clients in identifying opportunities in strategic thinking, product development, marketing, investment, human resources, and change management. WEB clients have ranged from national governments to Fortune 500 companies. She is acknowledged as one of the most influential practitioners of social, technological, political and economic intelligence-gathering.

Edie directed the first industry-wide futures research program in the early 1970s. At 29, she was the youngest independent female director ever elected to a corporate board. She has guest lectured at many prestigious institutions, including the *World Economic Forum in Davos*. Her latest book, *FutureThink*, was a global bestseller, translated into many languages. She has keynoted over 300 conferences.

Throughout her career, she founded and ran a series of programs aimed at mentoring inner city girls, bringing technology to inner city classrooms, preserving modern dance and networking women at various stages in their lives and careers.

She is a seasoned director and serves on numerous boards, including the US Comptroller General's Advisory Board. Ms Weiner has received over 30 awards and citations, including NOW New York's 2011 Woman of Power and Influence, and The World Future Society's Lifetime Achievement Award.



## Profiling the New President

When Stuart McLauchlan became chair of Otago Southland branch only ten per cent of the region's 147 members participated in either branch events or enrolled in Director Development courses. Now the branch is one of the IoD's most active, with around 50 per cent of the 421 members involved in branch activities in some way.

Stuart sees an important part of his mission as IoD President to repeat this scenario across the nation.

"I'd like to see participation levels rise throughout the IoD," says Stuart. "Currently the IoD has around 5,700 members, but they are not necessarily all engaged with the organisation; only 1500 or so are active participants and this worries me."

"I'm involved in lots of interviews and I often hear people say that they are a member of the IoD. My next question is always 'what events have you attended or what courses have you taken?'"

A chartered accountant, Stuart has had an extensive career as a professional independent director on boards in both the public and private sectors.

His first governance position on a commercial board came about 28 years ago

with Scenic Circle Hotels – a directorship that he still holds. As a specialist in the financing of business transactions for clients, he had been called in to help with the restructuring of the company.

"I asked them 'Have you thought about who you might want on the board?' and they said, 'Yes, you are on it.'"

It might seem fortuitous, but Stuart had already laid the foundations of a governance career with years as a director on the boards of not-for-profits. It is something that he strongly recommends to the new generation of aspiring professional directors.

"You can get a thorough grounding in governance on not-for-profits – and you can learn some hard lessons too, because not-for-profit boards can be highly political," he says.

Dealing with people is the stock in trade of a director – and the aspect of governance that Stuart finds most enjoyable.

"I enjoy learning from others. As a professional director, you soak up learning from a diversity of people. You have to be prepared to learn, and the day you think that you know it all is the day that you should be out of it."

He has extensive experience as a director on a variety of boards, including five in which he takes the role of chair. It's a pivotal role – what does he think are key qualities of a good chair?

"Ultimately leadership comes about when you have qualities that others are prepared to follow. It doesn't matter what titles or letters you have to your name, it comes from the respect that you get for your actions."

"You have to know how to listen to others and get the best out of the team. As a chair, I don't always front foot it. My aim is to draw different viewpoints out of fellow directors and bring the discussion to a workable conclusion. The challenge lies in getting cohesion. But I have never had a situation where I left a board meeting as chair where we didn't come to some agreement."

"It can happen where there is even one disruptive voice. Although it's healthy to have a debate it's not healthy to leave the meeting still debating. It can also lead to an undermining of management in this situation so they will need extra support."



*Seasoned director and Otago Southland branch chair, Stuart McLauchlan is the IoD's first president to hail from Dunedin in twenty years. Here, he shares his ambitions for the organisation. By Katherine Robinson*

#### PROFESSIONAL PATHWAY ON THE AGENDA

On the agenda for his two-year IoD presidency, he says, is building upon the current accreditation framework to provide a chartered directors' professional pathway.

"We need to offer a distinction between those that are professional independent directors and others. By offering three levels in the charter framework we will encourage people who are serious about the role to work through the levels, while those who are not interested in participating will stay at threshold level."

This is all part of a wider mission for the IoD, says Stuart, to lift governance standards in New Zealand, and by doing so lift the country's economic performance.

"There's a direct correlation between governance and performance," he says. "As a nation we are great innovators and entrepreneurs but not so great at taking it to the next level. The two things that we lack in the SME sector are governance and capital – which to my mind go hand in hand."

He observes that capital markets have been very constrained in New Zealand, with Mum and Dad investors backing away from shares and looking towards seemingly

safe but seriously less-productive areas of investment, such as property.

"The lack of trust in the markets after the GFC was not helped by the collapse of finance companies and stories about delinquent directors splashed around the media," he says.

However, he sees a mood for change in the surge of interest in Mighty River shares – and an opportunity to rebuild trust. "There is likely to be an increase in investment with public floatation of SOEs such as Mighty River. I predict that the participation rate of Mum and Dad investors is going to increase. We need to ensure that the right people are on those boards, with the right training so there are the right outcomes for those investors."

Supporting Stuart as Vice President is Michael Stiassny, chair of Vector and a partner of KordaMentha in Auckland. Also a chartered accountant he has significant experience in forensic accountancy, company restructuring, due diligence and insolvency. He is a director of a number of public and private companies.

#### Stuart McLauchlan

BCom, FCA, AFInstD

Stuart is an accredited fellow of the IoD. He is a partner of G S McLauchlan & Co, Chartered Accountants and is a fellow of the New Zealand Institute of Chartered Accountants. He is currently chair of Scott Technology Ltd, PHARMAC, UDC Finance Ltd, and Dunedin International Airport Ltd. He is also a director of many private companies. His other positions include pro-chancellor at the University of Otago and governor of the NZ Sports Hall of Fame. Stuart has been a member of the Otago Southland Branch committee since 2003.



# Standing Out

## What does it take to be an Exceptional Director?

*The job description for any director is challenging. It calls for all the qualities of a leader yet also demands that practitioners work well as part of a collaborative team. Phillip Meyer, chair of the Wellington branch of the IoD discusses what it takes to be an outstanding director*

It's the ultimate question for any director – how to not merely measure up to a difficult role but to excel in it. Core requirements of the position include business and financial acumen, being able to make the distinction between management and governance, manage risk, comprehend fiduciary responsibilities and conduct oneself to high ethical standards. But there are key attributes that I've observed over many years in governance that set apart an exceptional director.

The Korn/Ferry Institute asked senior directors and chairs in Australia and New Zealand to offer their view of what makes a director stand out from the rest and published this in their report *Cultivating Greatness in the Boardroom*. I refer to the results of this study here, and have added my own observations.

In my opinion, outstanding directors are keenly self aware – they consider the effect their behaviour, comments and the tone of their expression have on others and are highly attuned to positively contributing to an effectively functioning board. I would rate self awareness (recognising your own strengths and weaknesses) as not only the key to developing the emotional intelligence necessary in a governance role but also as the starting point for a willingness to learn or develop any of the qualities listed below.

#### STRATEGIC THINKING

Over three-quarters of the respondents to Korn/Ferry's study considered the ability to see the big picture as a core characteristic of an outstanding director. This also ranks highly as a fundamental attribute of a director in the IoD's *Director Competency Framework*. Directors need to be far-seeing and to be able to focus on the opportunities and risks presented not only in the road ahead, but also over the horizon.

Paradoxically though, as well as being able to take an overview, to perform well in the role directors need to be capable of developing a deep understanding of the business. They need to know when they need to delve into relevant details.

#### BEING PART OF A TEAM

Directors know that they are asking questions in the boardroom on behalf of shareholders (or stakeholders) who have put them there to provide independent strategic oversight of the business on their behalf. They need to ask searching questions – to do so without being confrontational is the mark of a great director. It's important to demonstrate independence and strength but in such a way that it encourages a cohesive board and a supportive relationship with the management team.

An outstanding director should be able to listen to others and, when required, to challenge the assumptions and proposals of management. Naturally, this might lead to quite a robust discussion but it should be done positively.

Ultimately, this will create a better outcome without anyone feeling threatened. To excel at this, a director should know the difference between providing supportive challenge to the management team and simply being a critic of management.

Nick Greiner, former Premier of NSW, with whom I worked on the Sydney 2000 Olympic Bid, was quoted in Korn/Ferry's study:

"The best directors are those who see their role as 24/7; who are thinking about the business all the time, as opposed to those who just turn up for a meeting. They have a sense of being part of a family."

A team player doesn't have to win every debate or lead every issue. Korn/Ferry found that 67% of respondents considered a core characteristic of an outstanding non-executive director was supporting the collective, rather than oneself as an individual. To my mind, an exceptional director shows a willingness to find consensus and to help find a clear route forward.

In the report, Roger Corbett, Chairman of Fairfax Media and a director of the Reserve Bank of Australia and formerly CEO and a director of Woolworths\* put it well:

"The best non-executive directors create a sense of team – knowing the balance between individual thought and teamwork."

#### INDEPENDENT THOUGHT

There is a flipside to being a team player. Groupthink is an insidious yet powerful force and it takes genuine courage to stand out and stand up against the crowd. Truly great directors have the integrity and moral strength to express their views without hesitation. Helen Nugent, director of Macquarie Group and Origin Energy\* called it:

"...restrained courage; knowing when to speak is also important. And knowing what's important (to speak about) – using emotional intelligence to judge."

#### BREADTH OF EXPERIENCE

Graeme Hawkins, Chair of Southern Cross Healthcare described this as having a range of experiences that enable a deeper understanding of the business. Depth



**RARE BIRD**

The Korn/Ferry Institute asked the question “What Makes an Exceptional Non-Executive Director in Australasia?” of senior directors working in Australasia.

The top five qualities listed were:

# 76%

A big-picture thinker who can focus on opportunities and risks in the details

# 67%

Acting for the collective rather than the individual

# 55%

Independent thinker with courage to speak up

# 52%

Ask deep questions without being confrontational

# 42%

Breadth of experience

and breadth of experience offer a context that allows a director to put issues in perspective. If a director has encountered a particular situation before, he or she will have ‘a nose’ as to whether the assumptions being made are valid or not. They will have a more finely attuned sense of potential dangers – and opportunities. This in turn will allow a director to ask more pertinent, probing questions.

On this theme, I remember working with marketing guru, Sam Leon, in Sydney a couple of decades ago. On his desk he had a little saying that I have never forgotten. It said:

“Good judgement comes from experience” – and then in smaller print below it said: “Experience comes from bad judgement”

So, being somewhat battle-scarred provides a deeper understanding of risk.

**GLOBAL OUTLOOK**

Globalisation, volatility in the world economy and rapidly evolving business regulation have placed more demands on directors than ever before. The marketplace is in a constant state of change and, over recent times, digital discontinuities have both encouraged new business models and wiped out old ones completely.

Outstanding directors build a clear understanding of these discontinuities, their implications and opportunities and the new business models that can exploit them. They then incorporate these opportunities into their strategic thinking.

Carolyn Hewson AO, an old friend and respected director of BHP Billiton, Westpac and Stockland Group\* said:

“The world is much more interconnected. What happens in Europe affects Australia [and New Zealand] so an understanding of what is going on globally is very valuable. Directors who have international networks are vital to the market intelligence level of the board.”

**AWARENESS OF NEW TECHNOLOGIES AND SOCIAL MEDIA**

Around a third of the world’s population is now actively online. This has profound implications for directors of businesses. Many banks, retail outlets, theatres and airlines to name a few, have moved their primary customer interface from the main street to the main screen, whether it be a computer, tablet or smart phone.

Consider the music industry and the effect Apple has had on traditional distribution models with the introduction of iTunes and the dominance of its mobile devices. Looking forward, the connectedness revolution will have even more profound impact on business globally.

It will substantially change the way all of us lead our lives and consume products, news, entertainment and services. No aspect of life will remain untouched.

Outstanding directors understand the impact of profound discontinuities such as these and can think strategically about effective responses to meet the challenge of these changes and create new business opportunities. Rather than feeling threatened, they see a world of potential customers opening up.

**FLEXIBLE THINKING**

Exceptional directors need to be responsive to change and not simply think in old tried and tested paradigms. They have a tolerance for decision-making in ambiguity without certainty. Great directors can understand what is controllable and what is not. Who would have thought the Kodak directors would ever take a decision to close down their market leading century old film making business? It may look obvious now. However, at the time, it no doubt was keenly discussed at the board.

**ABLE TO TAKE THE LONG-TERM VIEW**

Despite what I have just said, those who perform well as directors do not follow the latest short-term popular trends. They have the experience to be able to determine what changes in the marketplace will endure and what will not. You only have to think of the VHS -v- Beta video recorder battle for supremacy a few decades ago. VHS won that battle but didn’t see the transition to CDs and DVDs, and now HD DVDs, where Blu-Ray is the dominant platform.

Outstanding directors are able to look over the horizon. They develop a keen sense of what the longer-term future might look like – think strategically about the business outlook and, like Steve Jobs did, work to positively meet this future with the benefit of these insights.

**AND YOU NEED TO BE ON THE RIGHT BOARD**

The capacity of a director to reach his or her full potential does not only rest with the individual. A director must be

a good fit with the board and be given support through adequate information pathways. Regular board evaluations – particularly if they are constructively framed – help directors grow into the role.

Exceptional directors, once on a board, work hard to help the board to attract the right talent, skills and experience – including other great directors.

**For the IoD's Director Competency Framework, see [www.iod.org.nz](http://www.iod.org.nz)**

*\*Quoted in Korn/Ferry's study*

*"Cultivating Greatness in the Boardroom: What makes an exceptional non-executive director in Australasia" see <http://www.kornferryasia.com>*

### WHAT DO YOU THINK MAKES AN EXCEPTIONAL DIRECTOR?

**What are the qualities that make some directors stand out? If you would like to share your views on this subject, please email the Editor, [katherine.robinson@iod.org.nz](mailto:katherine.robinson@iod.org.nz)**

## IoD Membership Benefits

As the professional body for boards and board members in New Zealand, the IoD helps directors develop skills in governance and become more involved in the director community. Membership of the IoD gives you access to resources and services that will help you carry out your role as a director

Just a few of the benefits of membership include:

- a complimentary copy of *The Four Pillars of Governance Best Practice*
- generous rates on D&O insurance
- reduced rates on accommodation both nationally and internationally
- access to business facilities in the six main centres in New Zealand and London

**For detailed information visit [www.iod.org.nz](http://www.iod.org.nz)**



## directorVacancy noticeboard

*The noticeboard is a cost-effective way to reach IoD members – New Zealand's largest pool of director talent. We will list your vacancy until the application deadline closes or until you find a suitable candidate.*

You'll find more governance positions advertised on the Director Vacancy Noticeboard on the IoD website, in the monthly Director Vacancy Noticeboard email distributed to IoD members and on the IoD Twitter feed.

Where timing allows, vacancies will be also be advertised in *boardroom*.

### NGATI MANAWA CHARITABLE TRUST

**Role:** board members (two positions)

**Location:** Murupara/Rotorua

**Applications close:** 15 April

### RICHMOND SERVICES LTD

**Role:** board members

(up to two positions)

**Applications close:** 20 April

### BIG BROTHERS BIG SISTERS OF NELSON

**Role:** trustee/board member

**Location:** Preferably Nelson-based

**Applications close:** 20 May

### CHILDREN'S AUTISM FOUNDATION

**Role:** trustees (two positions),

including one to fill the role of treasurer

**Location:** Auckland-based

**Applications close:** applications will remain open until roles are filled

**For further details see Director Vacancy Noticeboard [www.iod.org.nz](http://www.iod.org.nz)**



# Strengthen your board

*Best practice boards* are committed to continuous improvement. They follow robust process. Whether reviewing performance, setting remuneration or recruiting new board members, who better to assist you than the Institute of Directors. Independent and with a thorough understanding of governance best practice, we can offer a range of services to assist you.

- **BetterBoards – online board appraisal**
- **DirectorSearch**
- **Director Vacancy Noticeboard**
- **DirectorRem**
- **Governance advice and review**





# Building Better Boards

*Welcome to the regular Board Services forum for members to raise and discuss issues relevant to the development of better boards. Here we aim to offer topical insights and answer your questions on the services we offer. In this issue – how we can help you to find the right independent director for your board*

Non-executive directors bring excellent value to any organisation and many more businesses, particularly small and medium-sized, could benefit from their business expertise. Finding the right director with the relevant skills, experience and background is where the challenge lies.

We have a range of services to help you with this, including the Director Vacancy Noticeboard where you can advertise your commercial or not-for-profit role. Many of you will be aware of our DirectorSearch service, where we undertake a search to match skills and experience of members on our database to your particular role.

We can also offer extra recruitment assistance to provide a tailored end-to-end service matched to your specific requirements. This can include helping you to refine your candidate criteria, involvement in your selection committee panel, helping you to develop relevant documents (such as role descriptions, advertising materials and interview questions) through to overall administration of an external application process.

Contact us with your suggestions for topics for future articles, questions or to find out more about any of our board services.

**Email us at [boardservices@iod.org.nz](mailto:boardservices@iod.org.nz)**

**Telephone: 04 499 0076**

## CASE STUDY

Board Services recently undertook an end-to-end recruitment assignment for Competenz, following a constitutional change at the New Zealand Industry Training Organisation. It was an opportunity to bring in new blood and build board competence in a rapidly changing environment.

We first identified a shortlist of independent candidates for the Competenz Board Appointments Panel from our DirectorSearch database. Upon selection and final composition of the Appointments Panel, we worked with Competenz to promote the available roles. This involved drafting the role description, promotion to Competenz's stakeholder industries, and advertising the vacancies on the Director Vacancy Noticeboard.

We also undertook a DirectorSearch assignment, from which we were able to provide a dozen suitable candidates. At the close of applications we prepared applicant data from all three sources against a skills matrix to enable the Board Appointments Panel to shortlist candidates. We then organised the arrangements for interviews.

Throughout the process we worked closely with CEO John Blakey and the Competenz Board Appointments Panel. John says "Competenz got a terrific outcome from a robust process that provided quality directors." They intend to continue working with the IoD as their director recruitment/appointment needs arise.

So, whatever level of assistance you need to find a new director for your board, we are here to help you.

# Director Development – Plan Your Course

*Never has it been more apparent that every director must possess the knowledge and skills across the business to ask the right questions and make the right decisions. And never has there been such obvious ambition among directors to upskill and raise the standards of governance. We know this because last year we had a record number of course participants enrolling in the IoD's Director Development courses. This year promises to be no different and the Director Development team have organised a full programme to cater for directors at all stages of their career*

*Here we highlight upcoming courses – for a full programme, further details and to register, please visit [www.iod.org.nz](http://www.iod.org.nz) or use the QR code below*

## GOVERNANCE DEVELOPMENT PROGRAMME (GDP)

Available in six centres this year, the GDP is delivered in over ten interactive sessions, some of which are led by an IoD facilitator, others by a local practitioner involving case studies and exercises. It is based on similar technical content to Governance Essentials, but set apart by the opportunity to continue learning over an extended ten-session time span. The different perspectives and war stories from both presenters and other course participants take you well beyond the text book and into true experiential learning.

If you're new to a board role, aspiring to become a director, own or operate an SME or family business or are an advisor to one and want to increase your understanding of governance, this course will be extremely useful. It will help establish the facts, build networks and entrench

Although the GDP courses have already begun in some centres, you can still join in these centres:

**2 May–5 Sep** Tauranga

**9 May–26 Sep** Christchurch

**6 Jun–17 Oct** Hamilton

## DO YOU HAVE WHAT IT TAKES TO CHAIR THE BOARD?

A pivotal role in any organisation, the chair sets the tone for the board and the wider business. The chair is the bridge between board and management, particularly the CEO. The chair sets the agenda, runs board meetings and ensures that the board is adhering to governance best practice. It can be a high profile role as, particularly in times of crisis, the chair may act as the spokesperson for the organisation.

Skilled chairs are highly sought after. One way to find out if you are up to it, is to sign up for the two-day Chairing the Board course.

Aimed at directors with at least five years

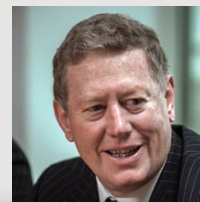
experience or current chairs who want to fine-tune their skills, the course covers board meetings, board decision-making, chairing different types of companies, legal duties, ethical media management, managing the board, chair and CEO relationship.

**Course dates:** 5-6 June Wellington, 2-3 September Auckland

## A CALL TO ACTION – BOARDS IN ACTION 1



John Palmer



John Waller

Presented by seasoned directors and chairs, John Palmer and John Waller, Boards in Action-1 is a one-day workshop aimed at offering a forum for discussion of governance issues of the day. The programme is designed to stimulate discussion and offer a sharing of experiences, with topics ranging from boardroom conflict to how the board can work better as a team. There is a focus on dealing with different leadership styles – particularly that of the chair.

Aimed at those with at least five years governance experience under the belt, the course has been one of our most sought-after.

## Course Dates:

15 May Wellington, 13 November – Auckland



Scan for more on  
Director Development

# Q&A

## with Ryan Wong

*Director of the Caldecott Group of Companies, Ryan Wong, travelled from Malaysia to attend Governance, Strategy and Finance Essentials courses in Wellington in February. He shares his feedback on the courses*

### Q What made you decide to do these courses in New Zealand?

**A** I realised that directorship has inherent liabilities and risks which are not highlighted and commonly overlooked because of the glamour factor of being called a director... a thorough understanding of the roles and responsibilities of a director would enable me to be prudent in my selection and more diligent after the acceptance of any potential directorship in any company anywhere in the world... I would say that New Zealand ranks as one of the top in terms of corporate governance and transparency.

### Q How have you found the courses?

**A** The way the courses are conducted in small discussion groups ensures that everyone actively participates in the discussion. The subjects covered by the course notes are more than sufficient to provide a thorough understanding of the subject matter but supplemented by the personal experiences of the facilitator and the individuals attending the course creates a unique environment for learning... the breadth and depth of the subject matter was pleasantly varied and somewhat surprising.

### Q What have you found most valuable?

**A** I attended the courses not really knowing what to expect and left feeling inspired and ready to set myself new vision and goals. It was a truly humbling experience for me to realise by the end of the course how much you really know and how much you really should know. Before you consider becoming a director there is definitely minimum requirement to achieve, although this is not spelled out explicitly it is clearly indicated in the course material.

Nowhere is this more apparent than when you are having a roundtable discussion with your peers... I think the most valuable thing I learned is that to be a director, you must be financially literate, not an expert or a black belt but just literate. Literate enough to read a balance sheet and understand cash flows and to ask the right questions, after all it's all about the bottom line first.

### Q How will what you have learned benefit you in your role in Malaysia?

**A** Personally, going through this course has awakened a new level of understanding of who a director is, what he does, how he goes about doing it and why he should be doing it. I hope to take away what I have learned and to put it into practice in my company, to create a more professional environment for my board and to make sure that everyone is clear on their roles and responsibilities and aware of those in their organisation too.

The challenge lies in ensuring that the local political, environmental, social, economical, legal and technological issues are taken into account when discharging my duties as a director.

### Q Any advice for people about to go on the course?

**A** Come to the course prepared – read The Four Pillars, be prepared to share your experiences, do not be afraid to ask questions even if they seem simple. As the facilitator puts it, it's like learning to play the piano, completing the course does not mean you are a maestro, but you will definitely have a better understanding and you will need to continue to learn and practise on your own.

## Course Calendar

Courses are listed here up until 30 June 2013, visit [www.iod.org](http://www.iod.org) for a full list

### Governance Essentials

17 April, Wellington  
14 May, Christchurch  
28 May, Auckland  
18 June, Hamilton  
25 June, Wellington

### Not-for-Profit Governance Essentials

30 April, Auckland  
12 June, New Plymouth

### Finance Essentials

18 April, Wellington  
1 May, Auckland  
16 May, Christchurch  
20 June, Hamilton

### Strategy Essentials

30 April, Auckland  
12 June, New Plymouth

### Audit and Risk Committees

18 June, Christchurch

### Company Directors' Course (CDC)

5 – 10 May, Queenstown  
FULLY BOOKED, WAITLIST OPERATING

26 – 31 May, Auckland  
FULLY BOOKED, WAITLIST OPERATING

9 – 14 June, Wellington  
23 – 28 June, Auckland

### Chairing the Board

5 – 6 June, Wellington

### Boards in Action 1

15 May, Wellington

### Governance Development Programme\*

2 May – 5 Sep, Tauranga  
9 May – 26 Sep, Christchurch  
6 Jun – 17 Oct, Hamilton

\* These courses are delivered over ten interactive sessions.

Further information and registrations for all courses and events can be made online at [www.iod.org.nz](http://www.iod.org.nz)



# branchevents

A preview of branch events to be held over the next two months. For a full update check the branch section of [www.iod.org.nz](http://www.iod.org.nz) or use the QR code below

The IoD's eight regional branches are a focus and a hub of the local director community. There are branches based in Auckland, Wellington, Christchurch, Dunedin and Hamilton plus Tauranga, Nelson and New Plymouth.

The branches organise an annual programme of over 120 events and workshops themed around current issues, and featuring national and international guest speakers. The events also offer a chance for directors to meet and network with others working in governance.

Members of the IoD are able to attend branch events at a lower cost than non-members.



Scan for the latest  
Branch Event updates

## AUCKLAND

### 19 June

New and aspiring directors lunch  
12.00 pm at the The Northern Club

## WAIKATO

### 24 April, Hamilton

7.00 am at the Radio Sport  
Lounge, Waikato Stadium  
Speaker: Stephen Allen

### 15 May, Hamilton

7.00am at the Radio Sport  
Lounge, Waikato Stadium  
Speaker: Anne Wilkinson

## BAY OF PLENTY

### 18 April, Tauranga

7.30 am, Tauranga Club – Breakfast Inc  
Speaker: Sir Henry van der Heyden

## TARANAKI

### 16 April, New Plymouth

5.30 pm at the BNZ Partners Centre  
Speaker: Bruce Robertson  
Topic: Local Government financial  
performance and governance

### 29 May, New Plymouth

12.30 pm at the BNZ Partners Centre  
Speaker: Deborah Battell  
Topic: The work of the Banking  
Ombudsman and common causes of  
complaints - including war stories

## WELLINGTON

### 29 May, Wellington

7.30am at the Wellington Club  
Speakers: Director of Intelligence Mark  
Evans OBE and Mike Bush MNZM  
Topic: Effective governance to reduce crime

### 30 May, Wellington

6.15pm at the Wellington Club  
Topic: The requirements and  
responsibilities of directors\*

### 6 June, Wellington

6.15pm at the Wellington Club  
Topic: Knowing your competencies\*

### 17 June, Wellington

6.15pm at the Wellington Club  
Topic: Marketing Yourself \*

## NELSON

### 16 May, Nelson

12.00 noon at Trailways Hotel Nelson  
Speaker: Peter Chrisp

### 12 June, Nelson

12.00 noon at Trailways Hotel Nelson  
Speaker: Henry van der Heyden

## CANTERBURY

### 15 April, Christchurch

5.45 pm at the The George  
Speaker: Al Percival  
Topic: The Diligent journey: what we do  
and the challenges we have overcome.

### 20 May, Timaru

5.30 pm at The Grosvenor Hotel  
Speaker: Sarah Ottrey  
Topic: What directors need to  
know about marketing

### 27 May, Christchurch

5.45 pm at the The George  
Speaker: John Judge  
Topic: Constraints and opportunities:  
reflections on governance challenges  
in the present environment.

### 31 May, Christchurch

New members' lunch  
12 noon at The George

## OTAGO SOUTHLAND

### 19 April, Cromwell

Fellows' dinner  
6.30 pm at Golden Gate Lodge

### 7 May, Dunedin

12.00 pm at The Dunedin Club  
Speaker: Phil O'Reilly, CEO Business NZ

## SNAPSHOT

For a full line-up of speakers presenting at branch events nationwide, visit [www.iod.org.nz](http://www.iod.org.nz)



### DEBORAH BATTELL

Banking Ombudsman Deborah Battell heads New Zealand's resolution service for disputes between customers and banks.

An office which she told *boardroom* July 2010 can "genuinely raise standards. In our case it is to improve the banking experience for both our customers and participants. It stimulates innovation. The ombudsman system offers some degree of confidence that it's all going to be sorted. And it enables things to be sorted out without the involvement of the courts and the media." Deborah has held the role of Banking Ombudsman since 2009. 29 May, New Plymouth



### SIR HENRY VAN DER HEYDEN

Chair of the Fonterra Board from 2002 until he stepped down in December 2012. Sir Henry sits

on Fonterra's Appointments, Remuneration and Development Committee. He is chair of Tainui Group Holdings Limited and a Director of Auckland International Airport Limited, Pascaro Investments Limited, Manuka SA Ltd, Rabobank New Zealand Limited and Rabobank Australia Limited. He is a member of Rabobank's Food Agribusiness Advisory Board of Australia, the New Zealand Business Forum and the Director Remuneration Committee of Zespri International. He is also an independent director for Foodstuffs North Island Limited.

18 April, Tauranga; 12 June, Nelson



### PHIL O'REILLY

Chief Executive of BusinessNZ, Phil represents thousands of businesses of all sizes. With his Wellington-

based team, he works with companies, organisations and political and other decision-makers, advocating for New Zealand's success through sustainable economic growth both with Ministers and Members of Parliament and in the media. 7 May, Dunedin



### SARAH OTTREY

With years at the top level in marketing at Unilever and DB Breweries, and the awardwinning Tui ad campaign under

her belt, Sarah Ottrey has not followed any traditional path into governance. Her background in marketing fast-moving consumables, she believes, brings a new dimension to a board. She currently serves as a director of Blue Sky Meats Ltd, Smiths City Group Ltd, EBOS Group and Wellesley College. 20 May, Timaru



### JOHN JUDGE

Current chair of ANZ, John was formerly a chief executive of Ernst and Young New Zealand. He has considerable experience in

Australasian business and brings extensive financial and analytical knowledge to the board. He is a director of Fletcher Building Limited and Fletcher Building Finance Limited and is a former chair of the Accident Compensation Corporation. John is also a member of the Otago University School of Business Advisory Board.

27 May, Christchurch

### AUCKLAND

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### WELLINGTON

#### Jeanette Wogan

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# branchnews



## BAY OF PLENTY

**Governance Debate Panel** Paula Thompson, Jon Mayson, Mike Pohio and Dr Warren Parker gave a ten-minute summary on the good, bad, and the relevant on governance. Questions flowed and the panel were open, honest, often funny, thought-provoking and challenging.



## NELSON

**Information in a Digital Age** John Parsons shocked attendees with the examples of fraud in New Zealand businesses. He covered the responsibilities for directors in ensuring the protection of company brand, data and information in a highly technical world.

### Directors Need Wits About Them

Marlborough Director Peter Radich, told attendees at a branch function that governance standards needed to rise significantly to meet current challenges.



## CANTERBURY

**Facing the Future** Roger Dennis spoke on the topic "What does the future hold?". Roger is a futurist based in Christchurch and consults to a range of international organisations from Rolex in India to the Singapore Government. He sees the strategic possibilities for Christchurch. There is the opportunity is to create a 'sensing city' in which daily and often unseen activities are measured and understood, to understand better the nature of how all cities function and adapt them better to human interactions.

**Risk Management** Grant Thornton have recently commissioned a business risk survey which provides a snapshot of risk management in New Zealand. At a lunch on 25 February, Murray Chandler presented the survey results and his educated reflections on what boards and senior management should be focusing on to improve performance. A copy can be downloaded from [www.grantthornton.co.nz](http://www.grantthornton.co.nz).



**New Members' Lunch** Our first new members' lunch for this year was held on 1 March. These quarterly lunches break the ice by introducing our newest members to the IoD. New members can ask questions, provide feedback on their membership experience to date and learn more about the areas of the IoD that interest them.

**Host Visit to Talbot Technologies** On 4 March Steve Wilson and Darryn Ross hosted a visit to their factory at Wigram. Steve and Darryn have evolved a niche as a plastics technology partner with an edge over Chinese manufacturing; and still able to supply 'just in time' to US customers. The keys to this include collaboration with other specialised local manufacturers.



Scan for more  
Branch News



- 1 | Gwenda Merriman, Jo Tisch (Bay of Plenty)  
 2 | Bruce Cardwell, Jane Hunter, Peter Radich (Nelson)  
 3 | Allan Dunn, John Parsons (Nelson)  
 4 | Sarah Jimmink, Dr Cheryl Doig (Canterbury)  
 5 | Helen McLeod (chair) presenting Vincent Pooch with Fellowship award (Canterbury)  
 6 | Peter Young, Gavin Whiting (Canterbury)

- 7 | Susie Johnstone, Brian Dodds (Otago Southland)  
 8 | Colin Dawson receiving a Fellowship Award, with Branch Chairman, Stuart McLauchlan (Otago Southland)  
 9 | Kerry Harper, Kate Skeggs (Otago Southland)  
 10 | Phillip Meyer presents Jim Donovan with a Fellowship of the IoD (Wellington)  
 11 | Nick Harley, Brent Spicer, Mark Vivian (Wellington)

- 12 | Sally Pulley, Tania Vincent, Neil Smith (Wellington)  
 13 | Franceska Banga (Wellington)  
 14 | Margaret Devlin, Jeff Howell (Waikato)  
 15 | David Irving, Bernie Crosby (Waikato)

## OTAGO SOUTHLAND

**Healthcare: the Future** Carole Heatly, CEO Southern District Health Board (Southern DHB), spoke on 'the changing face of healthcare: what the future has in store'. She gave a run-through of the components and services of the Southern DHB. This led into discussion of future issues and the changes to the way care is delivered by the Southern DHB.

### Taking the Mystery Out of Treasury

Linda Robertson, Group Treasurer Meridian Energy Ltd presented on 'demystifying treasury: what a board needs to know' at a cocktail function in Queenstown. She was joined by Anne Urlwin, a former director of Meridian Energy Ltd.



## WELLINGTON

**Achievement Recognised** Wellington branch chairman Phillip Meyer presented Wellington branch committee and national council member Jim Donovan with a Fellowship of the IoD at the branch's AGM in February.

**FirstBoards** Raising capital as a start-up or as a high-growth company was the theme of this cocktail function held at National Office. Fielding questions on the panel were Franceska Banga, the

Chief Executive of the New Zealand Venture Investment Fund (NZVIF), Brent Spicer, management consultant and advisory board member at Flexitime and Marcel van den Assum, chair of InterGrid (GreenButton) Ltd and director of AngelHQ.

One of the strongest messages was the relationship between having good governance and the ability to attract solid investors.



## WAIKATO

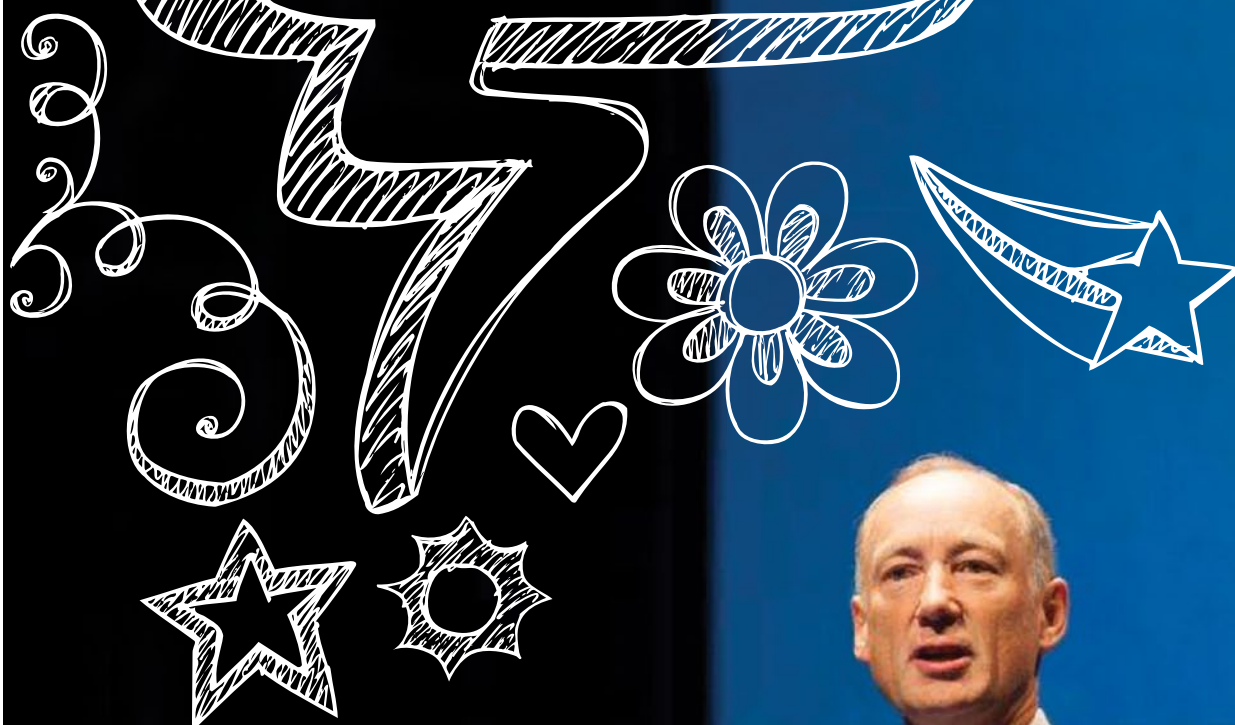
**David Irving Speaks at Branch AGM** David Irving, Chairman of Prolife Foods, told the branch AGM in February that owner/managers simply "don't know what they don't know". This can have a major impact on governance as often they don't prepare for bigger things and in many cases don't understand what governance is or what the design of their organisation should be.

**Changing Nature** Insurance is changing and this has implications for directors, Jacki Johnson told a Waikato branch event. Jacki was appointed Chief Executive Officer of IAG's New Zealand operation in November 2010. More on her presentation can be found on the Waikato branch page of our website.



# What our 12-year-olds Can Teach us About Leadership

*Ross Buckley, Executive Chairman of KPMG New Zealand, shares some of his thoughts on leadership*



## ROSS BUCKLEY

Ross is the Executive Chairman of KPMG in New Zealand, Chairman of the Agribusiness practice and an Audit partner. Before his appointment as Executive Chairman in July 2011, Ross was the National Managing Partner for Tax.

Ross has a wealth of experience in a wide range of assignments including serving multinational corporates in providing audit and advisory services. He's provided advice to a number of sectors including retail and construction, telecommunications, the property and primary sectors, banking and finance, funds management and superannuation activities.

Ross joined KPMG in 1983 and became a Partner in 1994, and has worked in KPMG's Amsterdam, Toronto, International and Wellington offices.





My wife and I have 12-year-old triplets, and we recently took part in the school's meet-the-teacher programme. We were surprised to discover that leadership skills are now part of the curriculum. They're covering all the good stuff – taking responsibility, leading others by example, and managing your own time. If our 11 and 12-year-olds are being taught these skills, it's certainly going to raise the bar for the rest of us!

I was fairly reserved when I was at school; so I wasn't a leader early on. But when I joined KPMG 30 years ago, I think I just grew from there. You're given so many opportunities – you change offices, countries, clients – and you're in so many situations where you've got to take the lead.

This is something I started doing early on in my career. Whenever we came out of a meeting, I'd start the conversation by saying 'how do you think we did as a team? What did we do well; what could we have done better?' Then I'd ask what I personally did well, and could have done better. Then I'd ask the same question of everyone else – including people senior to me – which does require courage.

I still encourage people to do that today. I really believe that if you can have that open conversation – in the right tone, and the right context – it's so beneficial for everybody.

#### **A NEW KIND OF LEADER**

We definitely have leaders for the times. If you were riding the waves of the mid-2000s, when there was a lot of growth, many CEOs simply looked good anyway.

But with the climate we've just been through in the last four to five years, we've seen a different type of leadership emerge. Our leaders have had to have more backbone. There's a new skill set needed for this environment – the ability to quickly ascertain and digest information, and make quite tough decisions.

So I think that's why we've seen a changing style of leadership, both nationally and globally. And I'd say it's probably become the new norm.

We do a lot of work in building our ideal culture at KPMG. We use a very powerful tool that helps us reinforce the kind of behaviours we want as an organisation, and eliminate those behaviours we don't. A lot of this work is around building teamwork, leadership and self-responsibility.

#### **LEADERSHIP IS PART OF EVERYTHING YOU DO**

You don't necessarily go out there and be a good leader. For me, it's more a case of doing your job well... and as part of that, you're listening, encouraging and spending time with people.

At its essence, I think leadership is the ability to have a vision, and to be able to simply articulate that vision to your team; so they can all buy into and understand it. At KPMG, we've distilled our vision to a one-page strategy. Everyone understands the firm-wide goals, and how their division and individual role flows into that.

A good leader also has to lead by example to achieve the vision. They have to personally demonstrate the standards and behaviours they want to see in their organisation. For instance, I can't leave here at 5pm if my team are working on a project to 9pm at night. They need to see me playing my part.

#### **ARROGANCE IS THE WORST TRAIT IN A LEADER**

I strongly believe you treat everyone as an equal, irrespective of their role. I don't tolerate or have any respect for arrogance. I always watch a person's style of working with others, and I'm quite firm if I see any trace of that.

It's important that you don't get hung up on your title. Just because you're in the swivelly chair doesn't mean everybody should automatically listen, observe and follow you. In fact, I think it's just the opposite. You've got to do such a good job – each and every time you perform – in order to earn that respect and buy-in. Because if you don't step up, you are going to lose the following and the support.

People see through you pretty quickly if you don't have the key attributes or right to be their leader. Even our second-year graduates know who the strong leaders are in this organisation. They're observant, and they're smart. I don't think you can fool anyone in today's working environment.

The other big sin for a leader, in my opinion, is a lack of self-awareness. It doesn't matter where you are in the organisation; you should always be open to and encouraging feedback on your performance.

#### **WHY THERE'S ROOM FOR TWO AT THE TOP**

We do things a bit differently at KPMG New Zealand, in that we've adopted the dual leadership model of a large corporate. My title is Executive Chairman, and Paul Herrod is our CEO.

The firm had talked about doing this for some time. We felt the role and expectations were too big for one person – it's unfair to demand so much of one individual, because you get spread so thin.

We're 20 months into our dual roles and it's been very well-received. The big advantage is that we have a lot more leadership visibility and coverage, both externally and internally. Today, for instance, I've been out walking the floors in Auckland talking with our people; and Paul has spent time in our Tauranga and Hamilton offices. So we're both out there doing our job as leaders – and in a way that effectively doubles your output. We also have slightly different skills, so we complement each other well.

"It works really well. I can't actually think of any disadvantages. KPMG is growing as an organisation, and we have some pretty ambitious plans for the future, so the dual leadership model is probably here to stay.

#### **LEADERSHIP AND PROSPERITY**

KPMG New Zealand is about to roll out a new high-level strategy around the concept of prosperity. And by that we don't simply mean making more money – but in the sense of creating well-being for wider New Zealand.

We have a very clear idea of KPMG's role in this; which is to support New Zealand businesses in becoming more successful. When they grow, they create profits, employment and generate revenues... and the flow-on effect is that we'll create stronger communities, and a better society.

Good leadership will be a key to achieving this. As an example, take Rob Fyfe and Air New Zealand. Because the airline had good leadership that instils the right culture – the passenger has a better experience, the company grows and makes more money. They of course pay tax, which flows through to creating better infrastructure and things like an improved health system. It's a cycle that starts with individual leadership, and results in a more prosperous society for everyone.



Do we offer  
enough protection to  
**Whistleblowers?**



## *New Zealand's policy on protecting those who blow the whistle on their organisations is under discussion by Government departments and a formal review of the legislation may be put in place. By Nick Stride*

The *New Zealand Herald* reported last month that a system was under consideration whereby whistleblowers who come forward with tips related to fraud could be rewarded.

Serious Fraud Office Acting CEO Simon McArley told the *Herald* some early policy discussions had been held between various Government departments. Late last year the Chief Ombudsman, Beverley Wakem, called for the legislation – the Protected Disclosures Act – to be reviewed as it appeared to be little-used.

“For some time I have been wondering why the Protected Disclosures Act may not be being used to any great extent, on the basis of the number of cases brought to the attention of my office,” she told *boardroom*.

The true picture was unclear as whistleblowing disclosures must follow the internal procedures of an organisation and were not generally made to or through an Ombudsman. Her office receives only about ten enquiries a year related to the Act.

“As the aim of the legislation is to make it easier for employees to blow the whistle on serious wrongdoing in or by their organisation without fear of reprisal, any review would need to consider what factors discourage whistleblowing and how to address them,” Dame Beverley said.

It was likely that a major discouragement was the fear that being known as a

whistleblower could be career damaging – a perception legislative change could not easily address. “A review could therefore look at who should qualify as a whistleblower and what wrongdoing should be sufficiently serious to qualify the whistleblower for protection under the Act.

“Should the Act limit protection to employees, or should any member of the public be protected if there is a sufficiently strong public interest in the disclosure? Should there be incentives to blow the whistle, while at the same time not encouraging the making of ill-founded allegations – or disclosures about matters more appropriately dealt with under other legislation?” Dame Beverley said.

### **NO ROOM FOR COMPLACENCY**

The June 2012 report ‘*Fraud Awareness, prevention and detection in the public sector*’ by the office of the Auditor-General pointed out New Zealand’s public sector had a strong commitment to protecting public resources – but warned against complacency.

“It is particularly important to be vigilant in the current global economic climate because there is an increased risk of fraud when people struggle to make ends meet.

“It is also important to remember that trusting staff is not a fraud control. Systems do not commit fraud, people do. Public entities need to ensure that they have the right systems in place.”

KPMG’s Fraud Barometer for the June 2012 half-year showed fraud cases going before the courts rose to 33, from 29 in the prior period. But – excluding the \$1.7 billion South Canterbury Finance charges – the \$30.8 million total value of cases was the third lowest in the barometer’s history.

The Act’s essential aim is to provide protection for employees who blow the whistle on serious wrongdoing within their organisation.

The legislation requires public sector organisations to have in place internal procedures to handle allegations from staff of serious wrongdoing.

***“If you have rigorous policies and procedures, you mitigate the risk an employee will go first to the media, the Police or another Government agency. A rigorous policy will also give an organisation the best chance of weeding out ‘disclosures’ that are ill-founded or manipulative.”***





  
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## DAMAGE CONTROL

However, says Marie Wisker, a senior associate at law firm Chapman Tripp, organisations that adopt robust policies under the legislation around internal whistleblowing can reap concrete advantages.

“They can manage their own internal information. They have the opportunity to select who within the organisation will deal with any issues. And they can ensure all their employees are treated fairly.”

Wisker says directors should not regard the legislation as targeting only fraud. It also concerns, for instance, health and safety.

“If boards have a robust whistleblowing policy in place, then they will have a better chance of finding out about poor health and safety practices within their organisations.”

It will also, says Wisker, give them a better chance of addressing issues internally and avoiding the damage to an organisation’s reputation if issues blow up in the media.

She doubts introducing a taxpayer-funded rewards scheme would make much difference to employees’ incentive to blow whistles.

“I would like to think not. My suspicion is that the regime isn’t well-used because it isn’t well-known within companies.”

According to Simpson Grierson partner Michael Pollard, the Act requires the employee to follow procedures if the organisation has established them – particularly in situations when there is a risk it may become public.

If an organisation doesn’t have a policy, to enjoy the Act’s protection the employee is generally required to raise a matter with the organisation’s head or deputy head.

That would normally be the CEO. But it might not be appropriate, says

Pollard, for the CEO to deal with all such matters in the first instance unless they are very significant.

Simpson Grierson partner Shan Wilson is aware of several instances in which the legislation has been misused.

“Some disclosures don’t involve serious wrongdoing, or wrongdoing at all. Allegations have been made against a colleague or the employer to distract from issues the employer may be having with the complainant’s performance. Disputes involving claims of unfair conduct in the normal course of the employment relationship are governed by their own legislation and the Act simply does not apply to them.”

Some global corporates have whistleblowing phone lines manned by third parties that allow the whistleblower to remain anonymous. However, Wilson says, that can create issues where an employee is motivated by malice.

The New Zealand legislation generally requires the person receiving a disclosure to keep the discloser’s identity confidential, unless it falls under one of the specific circumstances contemplated by the Act.

Wilson points out that when setting a whistleblowing procedure, “one size will not fit all”. Organisations will need to take into account how their employees can best communicate. For example, some organisations may have a large number of employees who are not online in the course of their employment – for example, train drivers or forklift operators. A phone line may suffice for these – but consideration will need to be given to who answers the phone.

Pollard says developing a Protected Disclosures procedure is not just a matter of PR control.

“An effective procedure will assist a business to capture and resolve issues of concern which are known by employees, but which they might not otherwise have the confidence to raise internally.”

Noting recent business failures, “there have been several recent high-profile instances where, had employees had a clear and well-communicated policy that may have flushed out some fundamental issues within the organisation.”

And even if the matter subsequently became public, the company would be in a better position to deal with adverse publicity if it had already investigated the matter internally and was aware of the issues involved.

“If you have rigorous policies and procedures, you mitigate the risk an employee will go first to the media, the Police or another Government agency. A rigorous policy will also give an organisation the best chance of weeding out disclosures that are ill-founded or manipulative.”

## PAYING THE PIPER

US whistleblower Harry Markopolos, was quoted in the *NZ Herald* as saying that a reward system for tips set up in America since global financial crisis prompted more people to come forward.

Markopolos told the paper that seven to eight complaints per day came through the tip-off scheme, with around 20 per cent turning into something more serious.

The American Congress had approved US\$452 million for the tip-off fund but so far only US\$50,000 has been paid out.

# Privacy protection

**Bringing it out in the open.**

**By Justin Graham**





## *A series of high profile privacy breaches last year shook public confidence and created a perception that when it comes to data protection, reform is needed*

Splashed across the media, apologising for any embarrassment caused, promising to review your internal procedures, wondering what it will take, and how long it will take, to undo the reputational damage – any way you look at it, the costs and distractions of being on the wrong side of a privacy breach are high.

The trend internationally is that these costs will get higher as the public becomes increasingly sensitised to privacy issues and as the law-makers respond to the risks created by the sophisticated data collection, transfer and storage capabilities of the post-paper era.

The Australian Government is further down the track than we are, having last year passed wide-ranging legislation to beef up their privacy regime. In recognition of the adjustment burden this will create for Australian businesses, a 15-month transition period has been provided with the result that the new law will not come into effect until March 2014. Yet, despite the long lead time, almost a third of respondents to a poll by law firm Allens of its Australian client base identified privacy reform as the major issue facing their in-house legal teams this year.

And Australia has more to come. Changes signalled for Phase Two include mandatory data breach reporting, removal of the small business exemption and giving individuals the right to sue for serious invasions of privacy.

New Zealand's personal data protection standards received an adequacy rating

from the EU at the end of last year. Despite the unassuming label, this is a big deal and will benefit New Zealand businesses in very real terms because it means that personal data can now flow freely from the EU to New Zealand. It also puts us into a fairly exclusive club as the rating has been awarded to only four countries outside of Europe (none of which is Australia).

But a series of high profile privacy breaches last year – Immigration New Zealand, Work and Income, ACC and Inland Revenue – has shaken public confidence and created a perception that reform is needed. So there is reason to expect that New Zealand may adopt some of the Australian reforms, or variants of them.

There is already some work underway as the regulators try to stay abreast of technological innovation. The Privacy (Information Sharing) Bill, reported back to the House last month and now split into three Bills, will make better provision for data sharing between public sector agencies and the Privacy Commission recently released Cloud Computing Guidelines.

But this is small beer. Much more substantial change is envisaged in the Law Commission's four-part review of the Privacy Act 1993, completed in August 2011.

The Government has yet to respond to the bulk of the Commission's more than 120 recommendations – including those recommending increased enforcement and investigative powers for the Privacy Commissioner, who currently has a

facilitative role only and can act only on complaints received rather than initiating investigations on his or her own initiative.

Despite the comparative lack of Government action, Chapman Tripp's experience is that privacy concerns are now much higher on the New Zealand corporate agenda than they were a few years ago and that the compliance costs associated with privacy processes are significant and growing.

### TIME TO PLAN AHEAD

Many organisations are starting to face the considerable compliance burden of Privacy Act requests when they are not resourced to deal with them. Having systems and procedures in place, and knowing what they are, will help.

At a practical level, a difficult or extensive privacy request can consume as much time from busy management or in-house legal teams as discovery in a piece of litigation.

It pays to ensure privacy is a well-trodden path for your organisation so that the system responds constructively and efficiently. The cost and publicity of a breach means that houses should be in order before our own regime ramps up.

**Justin Graham is a senior associate at Chapman Tripp specialising in privacy issues and litigation.**



### UNDER LOCK AND KEY

It's important an organisation:

- knows where personal information is stored
- knows how to access that information
- has a process for review and assessment of personal information
- has a procedure for sign-off of Privacy Act requests
- has a document retention and destruction policy
- has a privacy policy and internal training on that policy, which includes the handling of complaints.

### ACROSS THE DITCH

The Australian reforms:

- establish a unified set of Australian Privacy Principles, which will apply across both the public and private sectors (which is already the case in New Zealand)
- require organisations above a certain size to have an up-to-date privacy policy
- expand the obligations to inform individuals about how their information will be used and, if being stored overseas, in what countries
- place new limits on direct marketing, including requiring greater consent from consumers (through the inclusion of 'opt-out' mechanisms)
- strengthen the powers available to the Australian Privacy Commissioner, and
- provide for penalties of up to AUD\$220,000 for an individual and AUD\$1.1 million for a company.



# Targeting



*Just over half of directors surveyed in the 2012 Marsh Survey of Risk told us that they had become more involved in risk and insurance matters in the preceding year. Nathan Richmond, Associate Director, Marsh offers an update on the New Zealand insurance market landscape*



Nathan Richmond

There are positive signs that the property insurance market is stabilising after 18 months of very tough conditions for clients brought about by the Canterbury earthquakes and, to a lesser extent, natural disasters throughout Asia Pacific.

With this brings significant variation in insurer appetite and approach, thus resulting in a fractionated marketplace dependant on the nature of your risk profile, occupation and geographical location of your asset base.

For larger corporate businesses with positive risk profiles, there is an element of premium relief from the 2012 highs, yet for the small to mid-sized businesses affordability pressures may continue for a period. This is being driven by insurers (and reinsurers) continuing to be selective on where, how and at what return ratios they deploy their capital. The positive news

for insurance buyers is that any upward premium pressures will be at a significantly reduced level than previously experienced.

Insurers are, however, holding firm on the new market norms in respect of policy coverage –with earthquake deductibles, aggregation of policy limits and restrictions on covers such as contingent business interruption that they imposed over the last 18 months.

## LOCAL RISK TRENDS

Risks within the regions such as Canterbury and Wellington are still under close scrutiny from insurers, as they continue to ensure all required underwriting information is understood. They are also ensuring that when and if insurers are adding to their aggregation of risk in these zones their required level of return on capital is obtained along with only selecting the best quality risks if possible. This is a consistent approach from all

underwriters in the local market and therefore does provide clients with older or lesser quality risks, a greater challenge to justify insurer decisions to release capital to them.

Another influencing factor is that the increase in premium levels over the past period attracted increased interest from the international marketplace, particularly London, and local insurers are looking to ensure they preserve adequate market share to meet their commitments against their increased reinsurance costs and the demands of their shareholders.

In regards to capacity available for New Zealand, both locally and globally, there is sufficient capacity available for all regions. This is assisting in tempering some local insurer approaches who are looking to drive pricing and ensure there is a good level of competition returning to the market for well managed and presented risks.

### EARTHQUAKE PRONE BUILDINGS

New Zealand local councils are implementing processes that will identify earthquake-prone buildings throughout the country, which will have a significant impact on all commercial property owners.

The processes are typically a two-stage approach with an Initial Evaluation Process (IEP) followed by a Detailed Engineering Evaluation (DEE). If, following either one of these, the building does not reach at least 34 per cent of the New Building Standard (as per the Building Act 2004) it will be classified as an Earthquake Prone Building.

This is a material fact for the purposes of insurance and the implications following this in the local insurance market are potentially:

- limited insurer appetite for taking on new risks
- cover being restrictive to Indemnity Only cover
- restrictions on Business Interruption coverage
- seismic Strengthening Endorsement (SEE) will apply

### SEISMIC STRENGTHENING ENDORSEMENTS (SSE)

The Canterbury earthquakes triggered a large number of claims involving buildings with minor damage where insurers were obligated to pay for increasing the seismic strength of these structures.

As a result, insurers have now declared that they will no longer be held responsible for increasing the seismic strength of a building following an insured loss, even when such action is required by local authorities to enable repairs to go ahead

The SSE is intended to limit the amount an insurer will pay following damage to insured property that requires strengthening above what existed prior to the damage occurring.

The SSE, which can be triggered by damage from any insured peril, is not restricted to loss by natural disaster.

From the insurer viewpoint, these cost are no longer “sudden and unforeseen” which is a principle of insurance – however from the clients’ viewpoint this is a potentially large financial gap between their insurance response and the actual costs to reinstate the property. This is an issue that will no doubt lead to more insurers/clients having to negotiate a cash settlement and therefore a strong broker advocacy on behalf of all property owners.

**For more information please contact  
Nathan Richmond on 09 928 3094.**

### Liability Cover

Over the last 18 months, we have seen a slight hardening of liability premiums and terms from the local marketplace, with rate increases averaging between three to seven per cent. Insurer appetite for risk is stable however as some reinsurance arrangements become more restrictive insurers are actively seeking to improve the management of their portfolios to ensure they achieve an underwriting profit. We are also seeing an increasing demand for much greater transparency around information and documentation provided by clients as they increase focus again on technical underwriting of risk.

Looking ahead these trends will continue, along with an element of targeted corrections for certain occupations, such as financial institutions with coverage potentially tightening and premium levels under intense scrutiny. With that said, for risks with good historic performance there remains a competitive market as insurers continue with their flight to quality approach.

To ensure the best response from the insurance market, it is important to provide timely, well presented and comprehensive information, including full details on your approach to managing your risks.

# ATA RANGI · MARTINBOROUGH ·

## More than just great wine

**Ata Rangi means “dawn sky” or “new beginning”, symbolising that each spring the demanding cycle of growing world class wine starts anew.**

In another sense, it represents the principle of custodial care of the land which is ingrained in everything that Clive Paton and the Ata Rangi family team do.

“Conservation is in our DNA” according to Clive, who planted his first vines on a stony sheep paddock at the edge of the Martinborough village over 30 years ago.

Despite the rigours of quality winegrowing, the Ata Rangi team have added conservation work to the daily schedule.

Clive's particular interest in rata propagation and planting followed the discovery of a rare stand of mature rata trees at the edge of a 120 ha block of land bought by Ata Rangi in 2002.

His planting work - 50,000 trees with the help of friends and volunteers over the past ten years - has led Ata Rangi to a long and close association with Project Crimson.

This Charitable Conservation Trust works with communities to restore precious ecosystems, providing funding and eco-sourced plants for specific projects, including Treemendous, Living Legends and Learnz in schools.

Rata is a major focus for the Trust. Planting and protection of these trees, as well as the Trust's community restoration projects are the specific areas supported financially by Ata Rangi through the sale of their Crimson Pinot Noir.

### Join in

Individuals, families or corporate teams are welcome in conservation efforts. Call Ata Rangi initially for a steer in the right direction.

Clive's conservation work also extends to the establishment in 2011 of the Aorangi Restoration Trust which, with planting and intensive predator control, aims to create a 'mainland island,' restoring the mountain range and surrounding coastline to its former glory.

One immediate project, enthusiastically embraced by locals, is the enhancement of the historic breeding grounds of the Little Blue Penguin with the provision of hundreds of nesting boxes.

As both pinot noir pioneer and avid conservationist, Clive's contribution was recognised with a 'royal nod' in 2012 when he was received as an Officer of the NZ Order of Merit. He acknowledges the work of many others in the community who have dug in - literally - to make the 'dawn sky' vision of the Aorangi Trust come to life, and the dream of Ata Rangi a reality.

### Limited Edition Ata Rangi Wines from the Cellar

Three exciting new wines crafted by Ata Rangi star winemaker Helen Masters just released:

Syrah 2009 | Craighall Riesling 2009 | McCrone Vineyard Pinot Noir 2008  
Mail order only: 06 306 9570 | [wines@atarangi.co.nz](mailto:wines@atarangi.co.nz) | [www.atarangi.co.nz](http://www.atarangi.co.nz)  
Join our mailing list online for news and info, including exclusive customer offers



  
**PROJECT CRIMSON**  
renewing pohutukawa and rata





# Launching: The IoD Blog



Natasha Martin

*Natasha Martin gives a heads up on the launch of the IoD blog, plus an update on those little apps that can make life so much sweeter*

To expand our communications with members and stakeholders, the IoD is pleased to announce that we will be launching a blog on Wednesday 3 April.

## WHAT WILL BE ON THE IOD BLOG?

The blog will contain informative articles, commentary and news pieces around governance and issues relating to both aspiring and existing directors. We will also use a blog as a means to share and to help solve common governance questions. The interactive format of a blog enables readers to leave comments, providing valuable two-way communication.

## WHO WILL WRITE THE BLOG?

It will be written by IoD staff, branch managers and guest bloggers including course presenters, branch sponsors, the IoD Council and members. We will also be interviewing governance experts to provide useful commentary and advice. This will give you another opportunity to engage with different areas of the IoD.

## HOW DO I SUBSCRIBE TO THE IOD BLOG?

You will find it under the News section of the website and you can subscribe to our blog's RSS feed or be alerted to new posts via our Twitter or Facebook Pages: [Twitter.com/IoDNZ](https://twitter.com/IoDNZ) and [facebook.com/IoDNZ](https://facebook.com/IoDNZ)

## APP-DATE



### Evernote

Evernote is a free app that lets users collate notes, voice memos, text and images into easy to manage lists. Evernote also syncs with its desktop and web versions. The basic offering is free, while its recently launched Business App starts at \$10 a month. [evernote.com](http://evernote.com)



### eWallet

It can be impossible to keep track of all the different logins and passwords we use (unless we use the same password, which is never a great option.) eWallet is an iOS app that manages all your passwords, PINs, user names, bank accounts and other personal information in one location. It costs \$9.99, but eWallet's 256-bit AES encryption means your data is well protected. [itunes.apple.com/app/ewallet](https://itunes.apple.com/app/ewallet)



### Track my Spend

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## THE LAST WORD

# Wild Horses

*Christopher Bray offers some leadership lessons from the waterhole*



Christopher Bray

More than a few board chairs and directors would admit that they have been known – when the company and the occasion, has prompted them – to raucously sing along with the Rolling Stones: “Wild, wild horses. We’ll ride them some day.” Rather fewer of them, one suspects, have actually ridden a horse, let alone a wild one.

Carolyn Resnick has. Like Jane Goodall and her chimpanzees, Carolyn Resnick studied horses in the wild. She spent three summers with herds of wild horses near Hemet Lake in Southern California, learning what she calls “lessons from the waterhole”. She learned how to win the trust of wild horses so that they would allow her to ride them. She learned lessons that have relevance for anyone who aspires to ride a horse, or indeed to provide leadership to a board and an organisation.

We are fond, these days, of the concept of tribes. We understand that humans are a social species: that we like to belong and are willing to follow others who inspire us with their ideas. Observing horses in the wild, Carolyn Resnick understood that the successful herd leaders did not have to fight for their position: they became the leader by looking out for the good of the herd, and the individual.

“Wild horses,” says Resnick, “taught me that everything in life is a partnership. When there is no loss of community in the act of communication, rapport is the result.” Rather than breaking

## *Listen to Sir Mark Todd talk about Charisma, or any of his horses, and you understand what Resnick means by partnership*

horses, Resnick encourages them to express their natural talents. “I want volunteers,” she says. “There is nothing that a horse will not do for you, but it has to volunteer. You do not have to dominate them.”

Listen to Sir Mark Todd talk about Charisma, or any of his horses, and you understand what Resnick means by partnership. Charisma may have been a “fat, hairy, little horse”, but Todd is full of admiration: Charisma was “tough and determined, with a wonderful temperament and a superb athlete.” You’d be forgiven for inferring that Todd was just along for the ride, rather than someone with an extraordinary talent for creating special relationships with horses and persuading them to give their all. Teammate Andrew Nicholson once said, “Mark can ride anything – he could go cross-country on a dairy cow!”

Professional company chairman and director, Greg Gent, is an equestrian and he never forgets that he is a guest on the horse’s back. “Remember that the horse weighs about 600kg and you weigh about 80kg. Sheer force

doesn’t work when riding and it doesn’t work as a chairman. You have to work as a team. In both situations, as the leader, it’s your job to show the path.”

Gent extends the analogy to risk assessment. “Riding – especially jumping – a horse is dangerous. If you’re not thinking ahead, and being realistic about your own capabilities, and the horse’s capabilities, then someone is going to get hurt.”

The message, surely, is to be more humble. Carolyn Resnick’s leadership lesson from the waterhole is that leadership is an earned position based on trust, rather than on dominance. Wild horses choose their leaders and if they don’t like the leaders they have, they leave the herd. She says “If you can keep adjusting your leadership to be more dependable, flexible, understandable and intelligent, the horse is more willing to form a loyal partnership and put a greater effort into his performance.”

Resnick focused her life on figuring out how to get along with horses. What she learned along the way – about harmony, about partnership – helps us get along with people too, as well as get along with nature.

**Christopher Bray is a corporate storyteller and the independent chair of Equestrian Sports New Zealand. He does not ride horses, wild or otherwise. [www.christopherbray.co.nz](http://www.christopherbray.co.nz)**

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