

# boardroom

Magazine of the Institute of Directors in New Zealand

APRIL/MAY 2017

## A BRIGHT FUTURE FOR NEW ZEALAND

*An interview with the  
IoD's 8,000th member  
– Mavis Mullins*

**A PROFOUND SHIFT  
DIVERSITY WITHOUT  
CONFLICT**

Big data, big questions

Tips for seeking  
a board position

The global risk landscape

The changing face of IoD

Directors' fees





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## A note from the editor

The 2017 IoD Leadership Conference is themed 'Shaping the Future' and we have drawn inspiration from this to inform the content of this issue of *BoardRoom* magazine.

Directors play a key role in both the direction the organisations they lead are heading, and in shaping the direction New Zealand will go. Big picture questions like the state of the economy, protecting the natural environment, how technology will shape the workforce of tomorrow and how natural disasters could impact on business are some of the issues that occupy the minds of directors.

Speaking to the 8000th member of the IoD was a privilege. Mavis Mullins is well-known for her work in the primary sector and is someone who firmly believes in looking ahead to shape the future of the industry. During our interview Mullins told me about visiting San Francisco and trying the Impossible Burger – a lab-grown delicacy with the look, feel and taste of meat. Innovations like this could pose a real threat to New Zealand's food industry, but Mullins has confidence that New Zealand can adapt and thrive if we have the courage and skills to do so.

I hope you enjoy the issue.

Emma Sturmfels  
BoardRoom Editor

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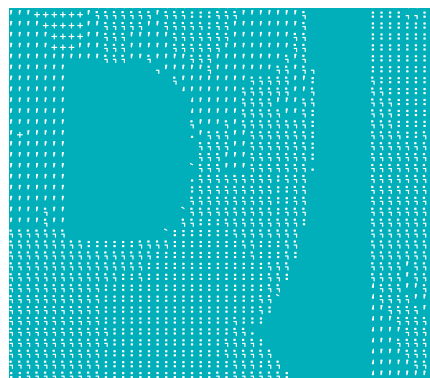
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## Institute of Directors (IoD)

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# A note from interim CEO Glenn Snelgrove



The fifth annual IoD Leadership Conference is not far away, and features an outstanding group of speakers from here and abroad. The conference is a highlight in the IoD calendar and sells out quickly – this year was no exception. Conference speakers will give insights on topics including sustainable business, global risks, shareholder activism and digital disruption. The theme of ‘Shaping the Future’ acknowledges the role directors have within the organisations they lead and New Zealand as a whole.

The IoD’s role is to support the important work our members do. Part of that role is to consider global trends and keep members informed about the issues that are shaping society and business. Directors want to understand what these issues are and how they could impact on the future of their organisations. Several articles in this edition *BoardRoom* look at the global trends shaping our future, and top UK economist John Kay offers some comment on the global outlook ahead of his appearance at the IoD conference.

The IoD reached a milestone recently – membership now numbers more than 8000. Mavis Mullins is on the cover of the magazine and is not only the 8000th member but a returning member. We recognise that the IoD has changed over time and will continue to change to adapt to the needs of our members. We welcome new and returning members alike. Take a look at some of the changes that have taken place within the IoD membership over the past ten years, further on in the magazine.

This is my final report as interim CEO of the Institute of Directors. As you will have heard, in March we were delighted to announce the appointment of Kirsten Patterson to the role of chief executive. I have enjoyed working with the team here at the IoD and know that you will be in good hands with Kirsten.

## IoD BY NUMBERS

# 480

delegates attending the sold out IoD Leadership Conference

# 8142

members as at  
31 March 2017

# 156

new members joined the  
IoD in March 2017

**SAVE THE DATE**

## IoD Annual General Meeting

Thursday 15 June, 12pm, Auckland

# Upfront

## APPOINTMENTS

*The IoD congratulates the following members on these board appointments:*

Chartered Fellow Adrienne Young-Cooper has been appointed to New Plymouth District Council's audit and risk committee. This appointment was made through IoD DirectorSearch.

Chartered Fellow Lorraine Witten and Keith Oliver have been appointed to the board of Rakon.

Chartered Member Mary-Jane Daly has been reappointed to the Earthquake Commission as deputy chair & commissioner and Chartered Member Paul Kiesanowski has been reappointed as commissioner.

Chartered Member Tony Hill has been appointed chairman of Central Lakes Trust.

Chartered Member Martin Wiseman has been appointed chair of the Starship Foundation.

Lynley Lee and Liz Stockley have been appointed as board members for Girl Guiding New Zealand.

Malcolm Phillipps has been appointed to the board of Hamilton & Waikato Tourism.

Mark Malpass has been appointed to the board of Steel & Tube Holdings Ltd.

Suse Reynolds has been reappointed as chair and Brett Hewlett reappointed to the Callaghan Innovation Stakeholder Advisory Group.

Simon Vodanovich has been appointed to the NZ Markets Disciplinary Tribunal.

## 2017 Edelman Trust Barometer

*The 2017 Edelman Trust Barometer was released in March, and informs part of our story 'A profound shift' on page 16.*

Edelman argues that society delegates important aspects of our wellbeing to the institutions of business, government, media and NGOs. Trust is integral to feeling those institutions are acting with integrity and with society's best interests in mind. As directors and leaders of New Zealand's institutions, taking the pulse of the public and understanding the sentiment of a

broader group of stakeholders is important to the work you do.

The global survey captures data from more than 33,000 respondents in 28 countries, including Australia, the United Kingdom and China.

**To find out more about the results of this global survey visit their website [www.edelman.com](http://www.edelman.com).**

## CERT NZ officially launched in April

*In mid-2016 the IoD acknowledged the decision to form a New Zealand CERT. This was an important step in addressing the significant threat that cyber criminals pose to New Zealand.*

Several IoD members were part of the Establishment Advisory Board, providing advice to the Minister of Communications and the Ministry of Business Innovation and Employment on the establishment of a national

CERT. These are Chartered Members Michael Wallmannsberger (Chair) and Rick Shera, and Kendra Ross.

**The official launch on was held on 11 April.**

## Is your address up to date?

**Make sure your address is up to date so that you can receive every issue of *BoardRoom* on time.**

**Log in to your dashboard to change your details.**

**Get in touch with the membership team if you have any questions about your profile.**



## Reading list

Many of the speakers appearing at the 2017 IoD Leadership Conference are also published authors, offering insights into leadership, shareholder activism, investing and how not-for-profits can change the world.



### JOHN KAY

Other People's Money (2015)

The Long and the Short of It (second edition 2016)

### DAN PALLOTTA

Uncharitable – How Restraints on Nonprofits Undermine Their Potential (2008)

Charity Case: How the Nonprofit Community Can Stand Up for Itself and Really Change the World (2012)

### HAROLD HILLMAN

Fitting In Standing Out: Finding Your Authentic Voice at Work (2015)

The Impostor Syndrome: Becoming An Authentic Leader (2013)

### JEFF GRAMM

Dear Chairman: Boardroom Battles and the Rise of Shareholder Activism (2016)

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A

PROFOUND

SHIFT





John Kay



Nick Tuffley

*Segments of the developed world are pushing back against the status quo and the effects are rippling through the global economy. Boards have a leadership role and must set the tone for a healthy organisation, which includes recognising the broader part their organisation plays in society. BoardRoom talks to ASB Chief Economist Nick Tuffley about the changing world, and leading UK economist John Kay offers comment on the challenges businesses face in proving legitimacy in these challenging times.*

Events of the past 12 months have refocused the way companies view global risks. Some of these – Brexit, the election of Donald Trump and rise of populism in Europe – signal to directors that further challenges may be faced. The World Economic Forum's Global Risks Report highlights geopolitical turmoil, suggesting that with populism and nationalism on the rise businesses may also face navigating a protectionist environment of tariffs and sanctions in 2017.

The 2017 Edelman Trust Barometer says business has much to fear in the present context. Findings from this global research show nearly one in two people agree that free trade agreements hurt a country's workers, while 72% favour government protection of jobs and local industries, even if it means a slower-growth economy.

As the people responsible for guiding their organisations through ups and downs, directors need to be aware of public sentiment and how it could shape public policy and impact the way they do business. In a global marketplace it is not only the sentiment and policies of New Zealand that matter.

Nick Tuffley explains that what we are seeing on the political stage in the United States and United Kingdom are symptoms of a wider ideological shift, as some parts of society move forward while others seem to stagnate.

"Globally we are going through profound shifts in how people have been viewing the status quo way which economies around the world have been operating since the foundations were set after WWII," Tuffley says.

## THE GLOBAL RISK LANDSCAPE

The Global Risk Report provides insights in global risks. Key highlights from the report include geopolitical turmoil and new technologies. Here are some ways to use the report in your organisation:

**Generate conversation:**  
Encourage leaders from operations and other areas to think how a specific trend may affect the business over the next several years. To do this you could:

- Distil the report down to how it relates to your business
- Use it in different forums to provide context for leaders to consider how and when certain trends may affect their areas.
- Make discussion of the report part of your regular risk governance process

**Assess time frames:**  
Encourage business leader to think about the time frame in which a particular trend may need to be addressed. The impact from some issues – water scarcity for example – may feel as it is years away when in fact your organisation could be affected much sooner.

(source Marsh Directors' Risk Survey Report 2016)

John Kay says the economic element to the discontent being voiced in many regions around the world is exaggerated. Economic measures are only a small part of the solution he says. A major challenge for business in particular, and their role moving forward, is to demonstrate legitimacy. It is correct that globalisation has led to a loss of low skilled manufacturing jobs, but these are not coming back. Returning to how things once were is not a solution.

## FEELING LEFT BEHIND

"Look at the impact of globalisation and free trade. The freer movement of people and capital, and rapid growth in global trade has done a lot over the last few decades in reducing extreme poverty around the globe," Tuffley says.

Directors should be aware that business is seen in many cases as adding to inequality rather than playing a role in addressing it.

Countries like China have embraced capitalist principles Tuffley adds, and growing trade has had a significant impact in lifting incomes in developing economies. The beneficiaries have overwhelmingly been Asia. Voting populations in other regions of the world are now raising concerns that the benefits of the current system are bypassing them and creating greater gaps between the elite and everyone else.

As an economist Tuffley is a firm believer that the benefits from free trade outweigh the costs. But, he argues, we can't forget the costs and need to make sure we focus on the broad social issues raised by groups like Brexit and Trump voters. There is genuine worry and fear around particular issues. The future of work is a concern for many; jobs are changing quickly aided by rapid advancements in technology and the impact of globalisation on many industries. The skillsets of today might not be relevant next year.

Directors are charged with focusing on the long-term and must help businesses to adapt.

Tuffley says we need to address the impacts on the labour market, but more broadly issues around equality – particularly equality of opportunity.

Directors of business can take a more active role in the challenges society is currently facing – they are likely to have an ongoing

*"The hubris that legitimised greed and proclaimed the primacy of shareholder value led to the global financial crisis of 2008 and, more generally, undermined the legitimacy of capitalist organisation."*

impact on the sustainability and longevity of business. Directors cannot rely on the actions of government alone to address broader social issues, Tuffley says.

"We need to recognise that it's not just about government – it's about businesses and individuals as well."

Further, Kay argues that economic factors alone did not lead to the current situation.

"Globalisation, the central economic development of recent times, has produced winners and losers. Consumers benefited from cheap Chinese goods, financiers profited from the explosion of capital flows. But low-skilled manufacturing jobs disappeared to Asia and bankers' bonuses failed to trickle down. Now the losers have demonstrated their resentment, in a surge of support for populist movements.

"The hubris that legitimised greed and proclaimed the primacy of shareholder value led to the global financial crisis of 2008 and, more generally, undermined the legitimacy of capitalist organisation."

Re-establishing legitimacy will be a major challenge for business, Kay says. This is demonstrated in the reported loss of trust in business and business leaders. This lack of trust should concern directors, as it impacts on the role of business in society.

## RE-BUILDING TRUST AND ESTABLISHING LEGITIMACY

In New Zealand the most recent 'Who do we trust?' survey (produced by Victoria University) showed 43% of respondents have little or no trust at all in corporations/large businesses. Internationally populations in general mistrust their institutions and are rejecting established authority.



The Edelman Trust Barometer shows that globally trust in institutions – government, business, NGOs and media – is declining. Media and government now fall in the ‘distrusted’ spectrum, while business and NGOs are on the verge – just 52% of the general population trust business. The head of Edelman calls on business, as an institution that retains some trust, to prove that it is possible to act in the interest of shareholders and society alike.

Directors are aware of the importance of listening to the voices of those wider than their shareholders. An overwhelming 86% of respondents to the 2016 IoD Director Sentiment survey said stakeholder interests are very important to their business. This is a global theme as businesses focus on long-term sustainability and the impact this has on society and the environment. Directors do need to consider how stakeholders

understand the work their organisation does and the part it plays, if any, in addressing broader social issues.

The Edelman finding aligns with Kay’s view that a major challenge for business will be demonstrating legitimacy. Kay argues that the ESG (environment, social, governance) type agenda, which emphasises environmental concerns, diversity, and formal process for example, is almost completely the opposite of what is demanded from business.

“These are the concerns of the liberal elite whom the populists resent. The business agenda to meet this challenge is much more about supporting communities, restoring identity and re-establishing long term trust relationships.”

The findings from Edelman suggest similar. To rebuild trust, institutions including business must step outside of their

*“We have moved beyond the point of trust being simply a key factor in product purchase or selection of employment opportunity; it is now the deciding factor in whether a society can function.”*

traditional roles and “work toward a new, more integrated operating model that puts people — and the addressing of their fears — at the centre of everything they do.

“We have moved beyond the point of trust being simply a key factor in product purchase or selection of employment opportunity; it is now the deciding factor in whether a society can function. As trust in

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institutions erodes, the basic assumptions of fairness, shared values and equal opportunity traditionally upheld by 'the system' are no longer taken for granted."

Big picture issues are not foreign to boards. Directors ultimately take responsibility for seeing the bigger picture and positioning their organisations for the long-term. Further, they play a role in raising awareness of broader issues, generating debate and putting pressure and urgency on something to be done and can advocate for the issues they feel strongly about.

Recognising the link between the fears held by the public and actions undertaken by business is a starting point to re-establishing trust and legitimacy. For example, the culture of an organisation and treatment of employees are areas of

public concern highlighted by the Edelman survey. This is something boards can have a direct impact on as the long-term leaders of culture within their organisations.

Understanding where New Zealand sits in terms of sentiment towards business and government in comparison to other parts of the world is important. While geographically isolated, we cannot assume that the stable political environment we have enjoyed and ability to publically debate important policy issues will continue. Directors should consider the global landscape and recognise that they play an important role in guiding New Zealand in a direction that is beneficial to our society as a whole.

Ultimately our organisations - government, NGO, SME, publically-listed and so

on - are part of a larger whole and do not operate in silos. They are part of New Zealand's tomorrow. The directors of New Zealand organisations have a role in shaping the future.

*You can hear more from John Kay at the 2017 IoD Leadership Conference 'Shaping the Future'. John will be speaking on the topic of 'The Global Outlook'.*

*The Conference will be held from 2-3 May at the Langham in Auckland.*

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GOVERNANCE LEADERSHIP CENTRE

# Update

*Championing digital leadership, monitoring global governance trends, releasing the first DirectorsBrief for 2017 on shareholder meetings in the digital age, and submitting on the review of the Unit Titles Act to strengthen body corporate governance have been the key areas of focus for the GLC, says Felicity Caird.*



Felicity Caird, Manager, GLC

## SHAREHOLDER MEETINGS IN THE DIGITAL AGE

Shareholder meetings are a key opportunity for shareholders to connect with the board and management but attendance is declining and digital disruption is transforming business models. Digital disruption refers to the application of new and innovative ideas and technologies that are transforming many business models and the way businesses operate.

Keeping shareholders informed and engaged in this rapidly changing environment can be a major challenge for companies. Our first DirectorsBrief for 2017 focuses on shareholder meetings in the digital age, looking at trends and how innovative technologies are working across a range of organisations.

## STRENGTHENING BODY CORPORATE GOVERNANCE

The Unit Titles Act 2010 is being reviewed to ensure it is fit for purpose. Reform proposals include strengthening body corporate governance provisions particularly around body corporate committees. This includes the introduction of committee member duties (e.g. to act in good faith and in the best interests of the organisation) and increased reporting requirements for committees of large unit title complexes (of 30 or more units).

The IoD submitted that reform of the Act should include anti-proxy farming provisions to limit the number of proxy votes one person can hold at a time to reduce the potential for one person to have significant control over body corporate matters.

## DIGITAL LEADERSHIP AND DIRECTING IN A COMPLEX ENVIRONMENT

Monitoring governance developments in New Zealand and overseas is a priority for the GLC to ensure our work is world leading. Attending the Australian Governance Summit last month provided an opportunity to hear what's top of mind for Australian directors. Key topics included government policy making for the long term, such as Australian tax reform, and the challenges of directing in a complex world.

This aligns with our focus on developing digital leadership and board capability to support directors operating in an increasingly VUCA (volatile, complex, uncertain and ambiguous) world.

The impact of new industries such as robotics, advanced life sciences, the codification of money, cybersecurity and big data was highlighted in Australia. To survive and thrive in the face of disruption means building resilience which can involve a cultural and organisational shift; and harnessing the key enablers of change and innovation; trust, respect, people and culture.

## A GUIDE TO DISCLOSING DIRECTOR REMUNERATION IN ANNUAL REPORTS

As questions around what is fair to pay those at the top continue to be raised, boards should consider how they communicate remuneration with their shareholders and the wider public. Effective reporting of remuneration can help to support trust and build confidence in companies.

To support transparent and consistent reporting of director remuneration, the IoD released a *Guide to disclosing director remuneration in annual reports* on 10 April. Developed by the Governance Leadership Centre to aid disclosure by NZX-listed companies, the guide can be used by all boards. It provides a brief framework for reporting director remuneration that includes details such as board and committee fees received, and explanations about any other benefits or payments received by directors.

Good governance practice expects reporting that is open and meaningful and goes beyond 'tick box' compliance; the guide aims to lift transparency and consistency in the disclosure of director remuneration.

***IoD submissions, guides, DirectorsBriefs and other governance resources are available at [www.iod.org.nz](http://www.iod.org.nz).***

# A bright future for New Zealand

*The loD's 8,000th member isn't actually a new member at all. Mavis Mullins originally joined the loD more than 10 years ago but ceased membership feeling that at the time the areas she really cared about – the primary sector and Māori governance – weren't well represented by the loD. Times have changed and Mullins has reconnected with the loD as the organisation builds greater engagement with Māori, and she is keen to be a part of those conversations.*



Reconnecting with the IoD is Mullins' way of acknowledging the changing face of the organisation, as more work is put into supporting good governance in the rural sector and with Māori. Mullins is a leader in both of these spaces; her many accolades include an MNZM for services to the wool industry, 2014 University of Auckland Māori Business Leaders Awards Business Woman of the Year, and winner in the rural category at the Women of Influence Awards last year. That's not to mention her time as president of the Golden Shears International Shearing Championship Society, and numerous board positions including with 2degrees Mobile, Poutama Trust, Taratahi Agricultural Training Centre and Hautaki Ltd. All of this and Mullins is still involved in running the family dairy farm.

A Dannevirke native, Mullins' connection with the land is her in blood.

"Every Maori has a whakapapa to land somewhere, a footprint big or small, it is an important connection" Mullins says.

The business and governance side of Mullins work was influenced by her family. Mullins

*"Good governance to me enhances good business, and good business is what New Zealand needs. We are a little country at the bottom of the world with a taste for the good things in life. We have to be smarter; we have to be more agile, more flexible to meet that global bar."*

learned the core values of business early on, from how you answer the phone properly and talk to clients when they ring, to how you make a cup of tea when they're there.

Her desire for better governance in the rural space comes from a connection with the sector, but also a drive to increase economic development. Mullins has seen for herself the way that growth in the sector changes the role of the farmer and why a strategic view is so important.





***"I love nothing better than to get out on the farm, on the land; it helps you to balance the strategy and the politics of governance and business. It gives you a leveller and reminds you why we're doing this stuff, what it's all about."***

"It might sound the same but it's actually a quantum shift in thinking, going from a farmer to be a producer of high quality, safe food products for a global market. You suddenly become something different than you thought.

"With my background, I'm a wool classer by trade. It was finally understanding that the work the shearing industry does is actually first stage processing for the export of wool to a global market – when you realise, recognise and can articulate that, it shifts your headspace, your strategic overview."

That big picture view of the primary sector pointed Mullins towards governance, as a key driver of the vision she sees for the sector and for New Zealand society on the global stage.

"Good governance to me enhances good business, and good business is what New Zealand needs. We are a little country at the bottom of the world with a taste for the good things in life. We have to be smarter;

we have to be more agile, more flexible to meet that global bar."

Technology is part of the solution to enable the primary sector to work in a smarter way. Mullins is one of the founding trustees of Te Huarahi Tika Trust and a director on the board of its commercial arm - Hautaki Ltd. Te Huarahi was the force behind challenging the Crown for the rights to 3G spectrum and the subsequent establishment of a third mobile network in New Zealand – 2degrees mobile.

Mullins still sits on the board of Hautaki Ltd and finished her term on the board of 2degrees in mid 2016. Prior to the work with Hautaki and 2degrees, Mullins says she had no experience of the telecommunication sectors, but brought extensive governance experience to the table. The process to secure a third mobile network was lengthy – about nine years of hard work navigating an unknown area – and while not an easy process, it was incredibly rewarding.

“What we have seen is 2degrees put over three billion dollars back into the pockets of New Zealand consumers through a truly competitive environment in the mobile space. That in itself is hugely satisfying. It makes me feel very pleased and gives confidence that we can do anything from anywhere. We don’t have to live in Auckland or Wellington. Technology enables participation in some of the big stories for New Zealand.”

Having a third mobile network has been of value to Māori and those in the rural space, Mullins says, and the ownership of 2degrees has had an impact on the way Māori business is viewed.

“I guess for Māori we were mostly tagged with having an asset base that was firmly within farming, forestry and fisheries. The reality of the adoption of technology into these industries almost makes it shift up a gear so technology becomes part of the discussion. It’s the tool that will help us all remain relevant.”

Giving those businesses in the rural sector the power to connect and compete in the global market matters to New Zealand as a whole, Mullins urges. To address wider issues such as the demographic bubble, the rural, regional and provincial centres of the country all need to be engaged.

“It’s having that strategic view and vision that can lead to smart business that makes it all happen.”

Technology can’t be seen as simply a business add-on Mullins says, and governance has a key role in ensuring it is a tool for growing good business. Taking that strategic view of the primary sector Mullins can see how much change is coming our way, and how primary sector producers are adapting to keep up with the times.

“I think the primary sector is always looking, there was probably a time when it was more inward but the looking now is more external. We look in but also look out and long; the primary sector requires that. It’s not like a warehouse where you can change a product line overnight. The primary sector is a biological business and the cycle is longer so your planning has to be smarter.”

The involvement of the primary sector has so far played a big part in New Zealand’s success on the global stage, and while it has served the country well the reality of changes in food production and the demands of the market could really shake the industry if we’re not prepared. Mullins has seen first-hand the developments overseas, during trips to places like China and San Francisco.

“Doing what we’ve always done isn’t going to cut it. We’re too small, too far away. Other developing countries are making fantastic use of our advancements and our IP; just standing still is no good. I do believe we need more co-investment into R&D, into healthy food, into safe food.

“This is what we’re good at. We’re pretty innovative people and always looking to create the next best thing, which is pretty cool for New Zealand.”

Mullins wants to be sure that players in the primary sector really take part in these conversations, and are not separated from the decision making.

“It’s a discussion around an eco-system of things and the key for us is that it is an eco-system and we’re not siloed; we’ve been siloed in the past where producers or farmers haven’t been as well connected to the processes or the market. Technology has shifted the landscape hugely. We now

*“It’s having that strategic view and vision that can lead to smart business that makes it all happen.”*

understand that our market is a person, it’s a family – whether it’s in San Francisco or China the market is a face and a name, they have a home. From a governance point we have to ensure these things are recognised and addressed in the industries we’re involved in.

“This is where Māori have a lot to offer because our view is intergenerational; it’s not about first quarter, second quarter, this is ten, fifty years ahead. When you have a headspace that is a fifty year vision you make different decisions than if it were a second quarter strategy.”

Māori business and the primary industries are an integral part of the story of New Zealand and Mullins wants to ensure that governance in those areas is strong; these are the things she is passionate about. Her vision for New Zealand is about protecting and enhancing the things we hold dear.

“I love nothing better than to get out on the farm, on the land; it helps you to balance the strategy and the politics of governance and business. It gives you a leveller and reminds you why we’re doing this stuff, what it’s all about.

“It comes back to the beautiful, clean, fresh New Zealand that we have and how we maintain that, how we improve it, how we make it a fabulous place for our future generations.”

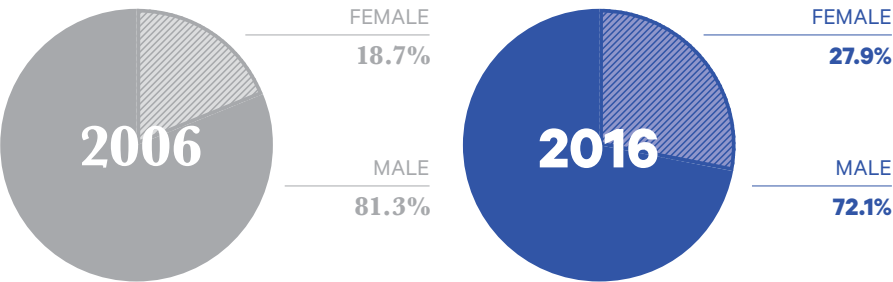
# The changing face of the IoD

8000 members is a milestone for the IoD. Here we take a look at some of the other changes that have happened that impacted members over the past ten years.

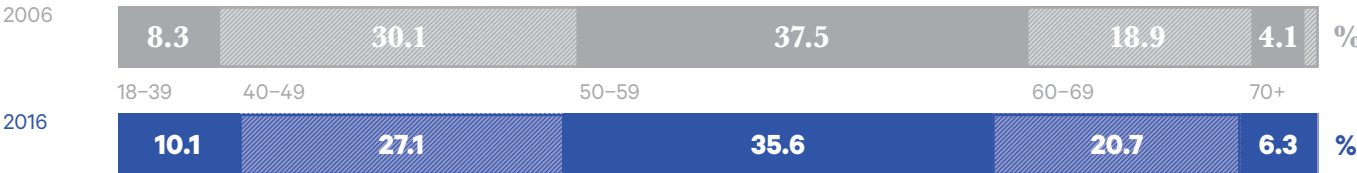
## MEMBERSHIP NUMBERS



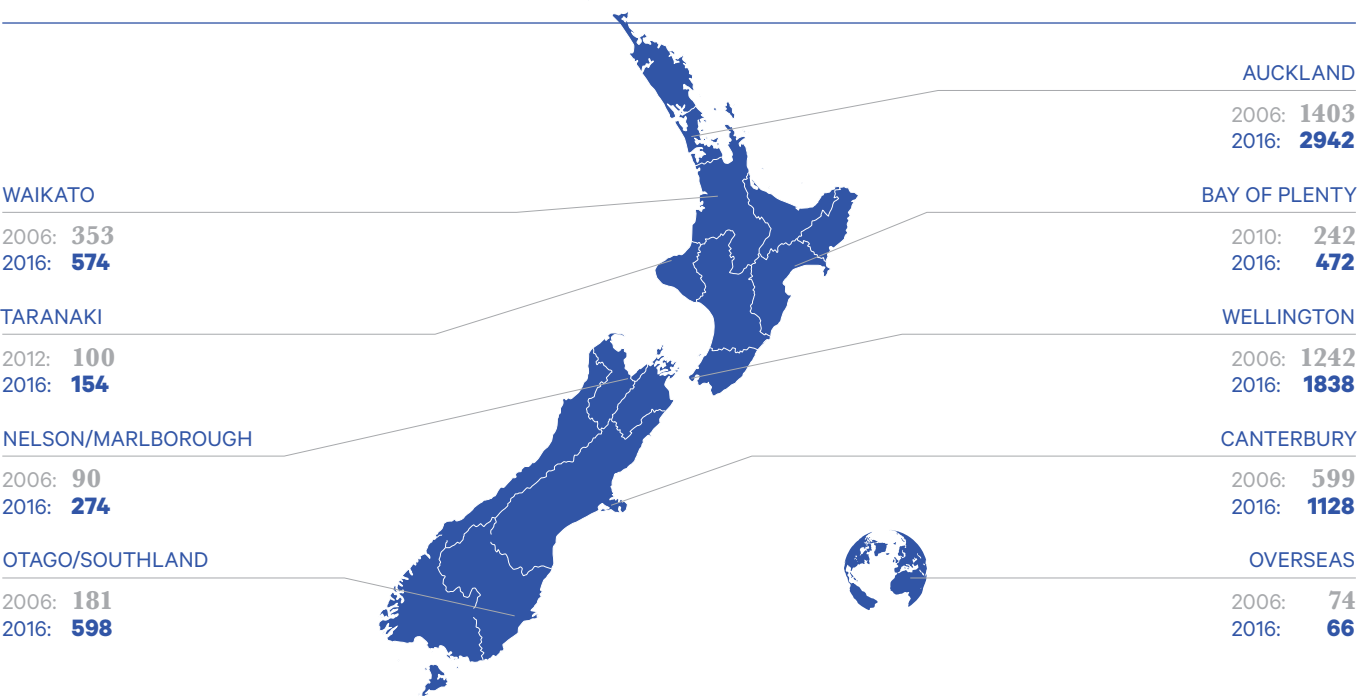
## MEMBERSHIP GENDER SPLIT



## MEMBERSHIP AGE



## BRANCH MEMBERS





## BOARDWIDE

BoardWide is our corporate membership option. Your board can become a BoardWide member and demonstrate its commitment to raising the governance standards in New Zealand. Established in 2013 with 5 organisations, there are now 54 organisations signed up with the IoD through a BoardWide membership.

## SIGNIFICANT MILESTONES

**2009** **Partnered with Ministry of Women's Affairs and Business New Zealand** in 2009 to produce Women on Boards. This was the start of the IoD focus on diversity.



**2011** **Mentoring for diversity** launched in 2011.

**2012** **The Four Pillars of Governance Best Practice** was released in its current form in 2012, and updated in 2014.

**2013** **Future Directors** launched in 2013, with 252 registered. There are now 432 Future Directors registered in the database.

**2013** **IoD Leadership Conference** was first held in 2013, with futurist Edi Weiner as the keynote speaker.



**2013** **Commercial arm of the IoD** established in 2013.

**2014** **Governance Leadership Centre** established in 2014.

**2014** 2014 also represented 25 years since IoD New Zealand became a separate entity from the IoD UK.

## CHARTERED MEMBERSHIP

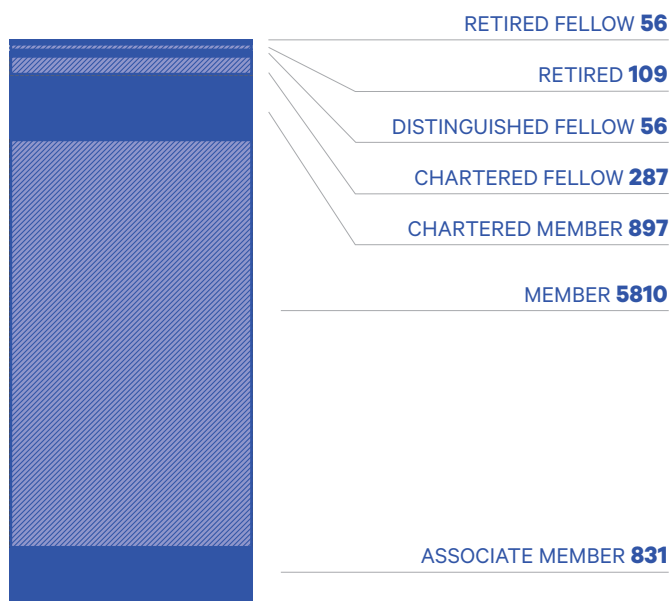
In October 2014 IoD moved from a membership organisation to a professional body.

The introduction of the Chartered Membership pathway was the biggest change in the IoD's history and took the professionalism of IoD members to a new level.

### The Chartered Membership pathway introduced:

- a new membership structure with seven different levels of expertise and experience. Associate, Member, Chartered Member, Chartered Fellow, Distinguished Fellow, Retired Fellow and Retired
- a requirement for continuing professional development (CPD) for most member categories apart from Associate, Distinguished Fellow and Retired.
- annual disclosure and commitment to ethical standards under a charter

### CHARTERED MEMBERSHIP BY THE NUMBERS



## OUR LOGO



2006



2016



# Building a force – diversity without conflict

*Brigadier Chris Parsons talks to BoardRoom about leadership, why a wider lens needs to be applied to diversity and what peacekeeping roles taught him about avoiding conflict when building a diverse team.*

Brigadier Chris Parsons is Deputy Chief of the New Zealand Army, a role he took on 18 months ago. Growing up in the Far North, Parsons joined the Army straight out of school, signing up as an officer cadet. His career has taken him around the globe, from deployments in the Pacific to Africa and the Middle East. Parsons has also been commander of the Defence Force's elite New Zealand Special Air Service (NZSAS) and has completed Masters degrees in management and strategy. Parsons became a Member of the New Zealand Order of Merit in 2000 and was awarded a Distinguished Service Decoration in 2011. Parsons' governance roles within the services include the Army Leadership and Management Boards, the NZDF Superannuation Fund, the National Army Museum and the Armed Forces Canteen Council, as well as a number of integrated project boards for major capital projects.

With around 6300 in the Army ranks and 14,000 in the combined New Zealand Defence Force, the organisation's leaders spend a considerable amount of effort thinking about the future of the force. As Deputy Chief of the New Zealand Army, Parsons is particularly interested in the diverse makeup of the Army.

Building diverse talent throughout an organisation is a key to having a strong pipeline of diverse senior leaders. The IoD's *Getting on Board with Diversity* guide for boards notes that diversity at the top requires a diverse pipeline at senior management level to support development into governance roles. The Army is an organisation looking to build diverse leadership at all levels.

Currently, the New Zealand Defence Force is a majority male organisation – 2017 statistics show that females make up 23.3% of the Defence Force (Navy, Army, Air Force and civil staff). Within the Army this figure is 12.8%, although it is higher in officer ranks, where 17.9% are female. The ethnic makeup of the Army includes 1.5% Asian, 4.7% Pacific peoples and 17.2% Māori. However, these figures do not tell the full story, as about a third of the Army prefer to simply identify as New Zealanders.

Parsons is proud that Māori people are more highly represented within the Army than in the general population and that the proportion of Māori grows to over 26% of the Army's senior enlisted leaders. This growth has happened quite naturally Parsons says and Māori culture within the Army is particularly strong. But more needs to be done to increase the number of commissioned officers that are Māori and Pacific Peoples and to attract other ethnicities and women to the Army as well.

***“Fundamentally, what we want is the outputs of diversity. To me those are being able to connect with a wider audience and solve problems through different mind-sets being brought to bear.”***

“From a business perspective, diversity is absolutely needed. The vanguard of our diversity programme is currently getting more military women. Women are approximately 50% of the population and yet we are only getting 12-18% in different ranks. Defence will be a stronger organisation and be able to make a more significant impact if greater numbers of women join forces with us.

“I already know having seen it on operations, a woman in the patrol can talk to other women in the environment and settle situations and maybe save lives. Often the people who are most impacted by conflict are women and kids, and if we can connect with them we can help to improve things.”

A growing Asian population in New Zealand also calls for greater representation of Asian views in the Army Parsons believes, and that requires a bit of a breakthrough to happen. He sees familial relationships as a key to growth: “Getting to the point where people can say ‘my cousin, my uncle, my dad, my mum’ are with the Army and they enjoy it and contribute to something worthwhile – that will help make the military a more obvious career choice than is perhaps the case now.”

While there is certainly a need to expand the ethnic makeup of the Army, Parsons thinks too much focus can be put on gender and ethnicity. Leaders of organisations need to recognise that diversity comes from factors other than what is dictated at birth – the natural differences that lead to diversity. Nurture is the other, often overlooked, side of the coin that includes a person's beliefs, cultural and environmental upbringing, education, experiences and their personality type.

“A lot of people think of diversity as the obvious things we can see like gender, ethnicity or age and that by simply increasing their quotas and hoping for the best they're going to get diversity's benefits,” Parsons says.

“But it's wider than that. I think we're in danger of saying ‘this woman will think this way, or that man is a ‘white, stale, male’ and they all think the same. That's not true; engineers think differently to artists for example.

“Fundamentally, what we want is the outputs of diversity. To me those are twofold, the ability to connect with a wider audience and the ability to solve problems by bringing different mind-sets to bear.”

What's more, diversity on its own is not a solution. Deployment into different societies has shown Parsons that diversity can cause conflict when different cultures clash.

***“Egotism is the enemy of leadership”***

“Diversity to my mind is powerful, but it's not a panacea. If you create a diverse team but don't spend enough effort on acculturation, diversity can be quite divisive. In the military we help different societies where often that is evident. You can see one tribe is from here and another tribe is from there and they haven't acculturated well and the result is conflict. So when you are selecting diverse talent you have to figure out how to build the team as well.”

Parsons points to research around how to do this well – where people can keep their identity, their diverse point of origin, but integrate into the team and adopt the culture of their working environment.

Within the Army, basic training remains the primary means of acculturation, where civilians become soldiers and learn about the values and characteristics that form the Army ethos, without foregoing their own culture and identity.

Parsons recognises that the popular perceptions of Army culture and the stereo-typical characteristics of leaders in the Forces could have a negative impact on attracting diverse people.

“In some ways Hollywood stereo types work against us. However, a modern Defence Force is a multi-faceted organisation that thrives on diversity.”

While there are certainly some required traits, such as self-discipline and the ability to operate in difficult environments, there is a really strong focus on bringing out people's potential and on leadership.

For example, leadership in the Special Air Service is more than being tough: it's about earned equality and the qualities you bring rather than any concept of pre-determined pedigree, it's about taking the right road over the easy road, an unrelenting pursuit of excellence and the ability to bring humour and humility to a situation.

“Humour frees the mind,” Parsons says.

“Humour can be creative, it can allow you to think of problems in new ways or just de-escalate tension and build mate-ship.”

And humility balances out the risks of the ego, something Parsons sees as vitally important.

“If you are going to go in to harm's way to rescue hostages you need self-confidence, but any strength overplayed becomes a weakness and confidence taken too far can become arrogance. To ensure that doesn't happen the NZSAS leverage the power of paradox – and focus on humility instead. To me egotism is the enemy of leadership.”

***Great leadership matters – whether in the barracks or the boardroom. The IoD is working with New Zealand Defence Force to develop a governance training package for their leadership team.***



# 2017 global risk landscape

*There has been a lot of discussion about the top global challenges faced by boards in 2017, but what are the top challenges faced by boards in New Zealand? Are there similarities with the global outlook and what can we learn from these global trends? These are some of the topics discussed in the following Q&A with Marcus Pearson, Marsh New Zealand Country Head.*

*“The world is undergoing multiple complex transitions: towards a lower carbon future; towards technological change of unprecedented depth and speed; towards new global economic and geopolitical balances.”*

(WORLD ECONOMIC FORUM:  
THE GLOBAL RISKS REPORT 2017,  
12TH EDITION)

## Q: What are the emerging global risks faced by New Zealand board directors?

**A:** Whilst technology related risks, most prominently cyber-attacks, are of most concern, there is another emerging risk that has reached our shores – increased regulation. PwC’s most recent survey of New Zealand chief executives found “69% said that over-regulation was keeping them awake at night”. The reality is that emerging global technology risks and increased regulation are interconnected and they are already on most progressive boards’ agendas.

Heavy handed cyber-related regulatory laws have been quietly making their way around the developed world. In the United States more than 50 federal, state and local laws mandate disclosure of cyber breaches. In Europe the recent passage of the European Unions’ General Data

Protection Regulation (GDPR) carries significant fines of up to 4% of global revenues. On 13 February 2017 the Australian Federal Parliament passed the Privacy Amendment (Notification Data Breaches) Bill 2016 into law with fines for breaches of up to \$360,000 for individuals and \$1.8 million for organisations. It should come as no surprise then that the Privacy Commissioner for New Zealand issued a media release on 3 February detailing its plans to reform the Privacy Act “in light of rapid changes in information technology, data science and significant developments in international frameworks”.

So what is the impact? Surely imposing overly strict regulations is at odds with the entrepreneurial spirit of all New Zealanders and will cause delays and impose costs on businesses? The answer is of course yes but there are legitimate concerns about security, privacy and the potential for the cyber related incidents to broaden to industrial controls and critical infrastructure and that is exactly what is happening overseas.

## Q: How has rapid globalisation affected New Zealand boards and their risk profile?

**A:** The biggest challenge for New Zealand boards is understanding the complexity of the interconnectedness that globalisation and the emerging risk landscape brings.

This increasingly interconnected global risk landscape is impacting local risks more than ever. One example is China’s shift from an investment-led to a consumption-led economy reversing the New Zealand/Australia worker migration patterns of the past 20 years. Less steel means fewer jobs in the Australian mining sector and longer term more demand for dairy products.

Boards must also consider the potential impact of various global risks on their physical assets, supply chains, transport and logistics. Natural catastrophes

and adverse weather remains a major contributor to supply chain interruptions. As supply chains have become longer and more complex, so the opportunity for failure at any critical point is greater than ever. By building resilience into the risk frameworks, boards can limit downside risks and capitalise on opportunities. Resilience involves both business continuity planning and physical loss prevention. Insurance cover is key, as it will fund the mitigation post-event.

## Q: Is talent and retention a big issue for boards to govern?

**A:** The board's role in the oversight of talent strategy starts with the CEO and top executives.

Directors should ensure that the pool of designated "high-potentials," especially CEO and/or C-suite candidates, is drawn from all regions of operations, rather than being focused on home-country executives. In that way, international perspectives based on personal experience become part of the "DNA" of the firm's leadership team.

The benefits of international diversity on NZ boards were discussed at a recent Institute of Directors' breakfast forum held in Auckland.

## Q: How can boards effectively govern this challenging environment?

**A:** Boards are being forced to stress test their strategy in new ways as they try to navigate a challenging environment and to capture the upside from the opportunities this presents.

A good checklist for NZ boards to govern global risks includes:

1. Do we have a framework of decision-making and risk oversight that

fully incorporates evaluation and management of global risks?

2. Does the board devote sufficient time and resources to the evaluation of global risks?
3. Should we appoint a chief risk officer or form a dedicated risk committee?
4. Have we evaluated the potential impact of today's global risks and drawn up a risk register?
5. What can we do to instil a culture of risk awareness and build resilience into our business model and operational processes?

*(Governing the Global Company, Marsh & McLennan, 2015)*

## Q: What does the future look like for boards? Which ones will survive and thrive?

**A:** Deep-rooted social and economic trends are manifesting themselves increasingly disruptively across the world. Persistent inequality, particularly in the context of comparative global economic weakness, risks undermining the legitimacy of market capitalism. At the same time, deepening social and cultural polarisation risks impairing national decision-making processes and obstructing vital global collaboration.

Technology continues to offer us the hope of solutions to many of the problems we face. But the pace of technological change is also having unsettling effects: these range from disrupting labour markets through automation to exacerbating political divisions by encouraging the creation of rigid communities of like-minded citizens. We need to become better at managing technological change, and we need to do it quickly.

More than ever, this is a time for all stakeholders to recognise the role they can play by exercising responsible and responsive leadership on global risks.

Nearly two-thirds (65%) of all respondents to the 2016 New Zealand Directors' Risk Survey anticipate an increase in risk levels in 2017. This figure is noticeably higher than in previous years and signals an increased risk environment for the year ahead.

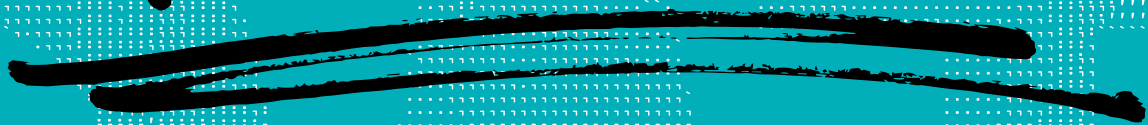
Where there is risk there is also opportunity. Today's uncertain situation reinforces the importance of having a robust and proactive risk management framework in place to identify and mitigate risks but also to recognise and seize any opportunities they may present.

The lack of an effective enterprise-wide risk management strategy may be the biggest risk faced by some companies. While the existence of a risk register may tick the boxes from a board perspective, if the risk management framework fails to identify new and emerging risk issues including poor or slow information flow to management (leading to bad decisions), poor systems or resources, or staff retention and morale issues, then things can unravel in very short order exposing directors to potential loss.



Marcus Pearson, Marsh New Zealand, Country Head

# BIG QUESTIONS





### WHAT DOES IT MEAN?

'Big data' was added to the Oxford Dictionary in 2013:

Extremely large data sets that may be analysed computationally to reveal patterns, trends, and associations, especially relating to human behaviour and interactions.

There's some big talk around about big data and the benefits it could provide to businesses – from increased revenue, improved customer awareness and more efficient ways of operating.

The possible uses for the data coming from the information gathering devices imbedded in our daily lives ranges from development of new products and services, greater individualisation of marketing and service delivery, and security and law enforcement insight. The overarching expectation is that big data will be beneficial.

HOW MUCH DATA?  
2.5 quintillion  
(that's 18 zeros...)  
bytes of data are  
created every day

SOURCE IBM

Data is already captured in vast quantities and more is coming everyday as more objects join the Internet of Things and become senders and receivers of information. It is estimated the number of mobile phone users worldwide will surpass five billion in the next two years. In New Zealand alone research shows 70% of people have access to a smartphone for personal use. But what value can be extracted from these vast data sets, by whom (or what as we consider growing

computational power and machine learning) and for what purpose?

According to McKinsey and Company there are some key challenges faced by organisations trying to build data and analytics into their business processes:

The first challenge is incorporating data and analytics into a core strategic vision. The next step is developing the right business processes and building capabilities, including both data infrastructure and talent. It is not enough simply to layer powerful technology systems on top of existing business operations. All these aspects of transformation need to come together to realize the full potential of data and analytics.

Fortune magazine considers how without insight too much data can be detrimental to organisations:

Capturing more data will not automatically generate more value for a company. The more we collect data, the more we convince ourselves that we will be able to glean good insights from it. This modern take on the sunk cost fallacy is corporate quicksand. Data is only good when it results in accurate and relevant insights.

Importantly from a board perspective, any insights gleaned from big data need to be aligned with overall business strategy.

For boards, the advice is to clarify your vision. EY suggests asking:

- What do you want to achieve with data?
- What is relevant?
- What will drive value?
- Big data can mean big risks. What are the opportunities and value and how does the value link to the strategic plan?

Aside from the challenges of implementing big data analytics into a business, there are some fundamental questions to consider around privacy and trust. These questions are not so simply addressed, but business leaders and heads of government organisations alike are recognising the necessity to explore these issues in more depth.

### CONTEXT IS KING

It is hard to fathom how much data can be collected about a single person every day. IBM estimates around 90% of the data in the world today has been created in the last two years alone. But that data is fairly meaningless without context. Speaking on the Ted Radio Hour, Susan Etlinger discussed how the need for context becomes even more apparent when you consider that analysis of data is undertaken by machine not human.

Etlinger argues that “we have the potential to make bad decisions more quickly and with far greater impact. It’s not as simple as saying if we have more data it will be better. We need to start thinking about the scenarios as we build these systems.”

Etlinger uses the example of data that shows when death by drowning increases, so does the amount of ice cream consumed. While humans understand the concept of seasons, will the machine analysing that data have this context?

“Correlation doesn’t equal causation,” Etlinger says. “If you don’t have the context you miss the meaning. If the machine does not know that seasons exist and the link is summer, the wrong conclusions can be made.”

As amusing as it might seem that a machine, unaware of the seasons, could potentially link drowning with ice cream consumption or vice versa, the real-world

implications of data without context matter. The unintended consequences could be harmful to both consumers and companies when we think about using data insights more and more to shape business and society.

At board level there needs to be an understanding of the complexities of dealing with big data and how it can both assist and hinder decision making. It is not simply a case of collecting more information and pulling it out to glean business insights.

### TRUST, PRIVACY AND SOCIAL LICENCE

Caution is being urged in many corners by those concerned about privacy. In New Zealand, visiting United Nations Special Rapporteur on Privacy Professor Joseph Cannataci stated the government’s privacy laws and regulations were “inadequate in 2016”, and noted his concerns around data being used for security purposes at the expense of the privacy of individuals.

In January last year a report released by the United States Federal Trade Commission considered both benefits and risks of big data. Benefits included the ability to provide specialised healthcare to underserved communities. On the other hand risks included the exposure of sensitive information and the ability for unscrupulous companies to use big data to target vulnerable prospects (for example accessing lists of “suffering seniors” who are identified as having Alzheimer’s or similar conditions).

Members of the public are concerned about how and why data that is collected about them, by businesses and social and government organisations, will be used. Polling conducted for the Office of the Privacy Commissioner found New Zealanders are happier with the idea of government agencies sharing data over commercial organisations.

Concerns such as these are part of the reason discussion about data is so important Etlinger noted:

“This is what makes this conversation so important. What we need to do is think about the ways

technology can serve us but also be mindful and have a set of principles that govern the way we will and won’t use data.”

Kenneth Cukier, also speaking on the Ted Radio Hour, isolated privacy as a key issue. He notes that we can’t opt out of data collection – it is happening already. The question for directors and other leaders within society are how it is going to be used and protected:

“If we are going to accept big data and all the benefits that we can use it for, we need limitations so that we can preserve out fundamental freedoms... The benefits are so incredible and we must address the downsides so that we can take advantage of these, otherwise we would be a stupid society.”

An article from Silicon Valley Data Science said that conversations boards should have with their management teams will consider trust and privacy, including what will happen should a data breach occur. Not everyone who accesses big data will do so with honest intentions, or even have the right to that data in the first place.

These conversations will be ongoing as the data becomes more and more embedded in our lives. Without doubt big data represents some great opportunities for business and society. *McKinsey and Company’s 2016 report ‘The age of analytics: Competing in a data-driven world’*, suggests that the range of applications big data can be applied to and the opportunities these present will continue to expand. Those that use big data well may find themselves in a position to disrupt the status quo:

Given rapid technological advances, the question for companies now is how to integrate new capabilities into their operations and strategies—and position themselves in a world where analytics can upend entire industries.

**BIG DATA IN NEW ZEALAND**

*Dame Diane Robertson, Chair of Data Futures Partnership, discusses the role of big data in New Zealand.*

The Data Futures Partnership has been tasked by Government to strengthen New Zealand's data ecosystem and drive more effective trusted data use. We report to ministers but are an independent body working across the public and private sectors.

An important part of our work is engaging with New Zealanders to understand how they feel about the ways in which their data is used and shared. We are using what we learn to develop guidelines designed to help organisations and companies build and maintain the trust of those whose data they wish to use. The guidelines will help data users develop social licence for their data activity.

The concept of social licence is important. When people trust that their data will be used as they have agreed, and accept that enough value will be created, they are likely to be more comfortable with its use. This acceptance is the social licence and is dynamic. It can change over time, or indeed be suddenly lost. It is dependent on the extent of trust the subjects hold in the data user, and their acceptance of the particular data uses. We are still reviewing the results of our public engagement work

but it is clear that New Zealanders are far more comfortable about sharing their data when they understand why it is needed and what benefit it will bring to them or their community. Given trust in data use is so important, company boards have a particularly important role to play in relation to data governance and how client information is collected, used and shared.

A further element of our work is focused on identifying barriers which get in the way of data being used and shared effectively. The Partnership works with projects, such as our 18 catalysts, which are using data to tackle real world problems and extracts the learnings to share them more widely. Common barriers encountered include problems with data quality, issues with sharing data across organisations, and an absence of data standards or definitions which makes data collaboration difficult.

Over the coming months we want to continue engaging with organisations across New Zealand to learn from their experiences and ensure the guidelines we develop help them to grasp the opportunities presented by data use.



Dame Diane Robertson,  
Chair, Data Futures Partnership

[www.datafutures.co.nz](http://www.datafutures.co.nz)

**FACTS:**

ACFE\* advises that the average employee fraud loss is **\$150,000** & businesses lose **5% of revenues annually** to employee fraud

**RISK:**

Are you doing what you should to reduce the risk to businesses under your duty of care?

**SOLUTION:**

Watchful Eye Software now provides a product to protect SME businesses against employee fraud

**Software costs \$500/yr (\$400/yr for not for profits)**



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Call to discuss how to reduce your risk of Employee Fraud.

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Phone: +64 9 886 2850

\*ACFE: Association of Certified Fraud Examiners. "Facts" are from the 2016 Global Fraud Study—Report to the Nations on Occupational Fraud and Abuse



# Navigating your way in a sea of innovation

*We live in the world of continuous change, with digital disruption, artificial intelligence and automation creating opportunities and challenges in equal measures. It's hard to go a day without hearing about a law firm investing in artificial assistants, or banks or airlines introducing chat-bots to help their customers. In a sea of innovation, where should businesses look first to enhance and transform the way they work?*



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Partner – Performance  
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M: 021 615602

At KPMG we see cognitive technologies and automation as a set of technologies with the potential to transform most businesses, from small start-ups to large organisations. So, what are these technologies and how do you get started on transforming your business?

## COGNITIVE TECHNOLOGY AND AUTOMATION AT A GLANCE

When we talk about cognitive technology and automation, we primarily identify two broad categories along a broad spectrum: robotic process automation (RPA) and cognitive automation. At a high level, these types of technologies have the following features:

### Robotic Process Automation (RPA)

This technology can replace human interactions in simple, repetitive, rules-based processes. For example, RPA can compile and check data from multiple sources, and contact the relevant parts of the business if it finds any gaps. It can deliver these tasks with a high degree of consistency, reliability and transparency while working within IT systems already in place.

Technology providers are continuously expanding the capability of RPA by introducing features such as:

- **Natural language processing** - which allows RPA to communicate with clients using natural spoken and written language,
- **Machine learning** - so that RPA can learn how to perform tasks by observing people and,
- **Sentiment recognition** - to give clients what they want based on their emotional state.

These expanding features make RPA a flexible platform to address a number of business objectives and deliver better, more personalised services to clients.

### Cognitive Automation (CA)

In contrast to RPA, Cognitive Automation involves advanced systems that adjust the way tasks are performed, based on fluidly-changing information, as well as its own experience performing a task. In this way, it is similar to human logic and reasoning. These features are starting to allow Cognitive Automation to move into professional roles. Law firms in the United States have already “hired” robotic assistants to conduct research, while IBM Watson is helping doctors develop customised treatment plans for cancer patients. The ability of cognitive automation to make quality judgements, and process and react to changes in information is a real strength of these technologies.

## WHERE WILL THESE TECHNOLOGIES MAKE THE MOST IMMEDIATE IMPACT?

One of the exciting features of these technologies is the multitude of applications. There are, however, some common areas of business that are seeing the most rapid changes.

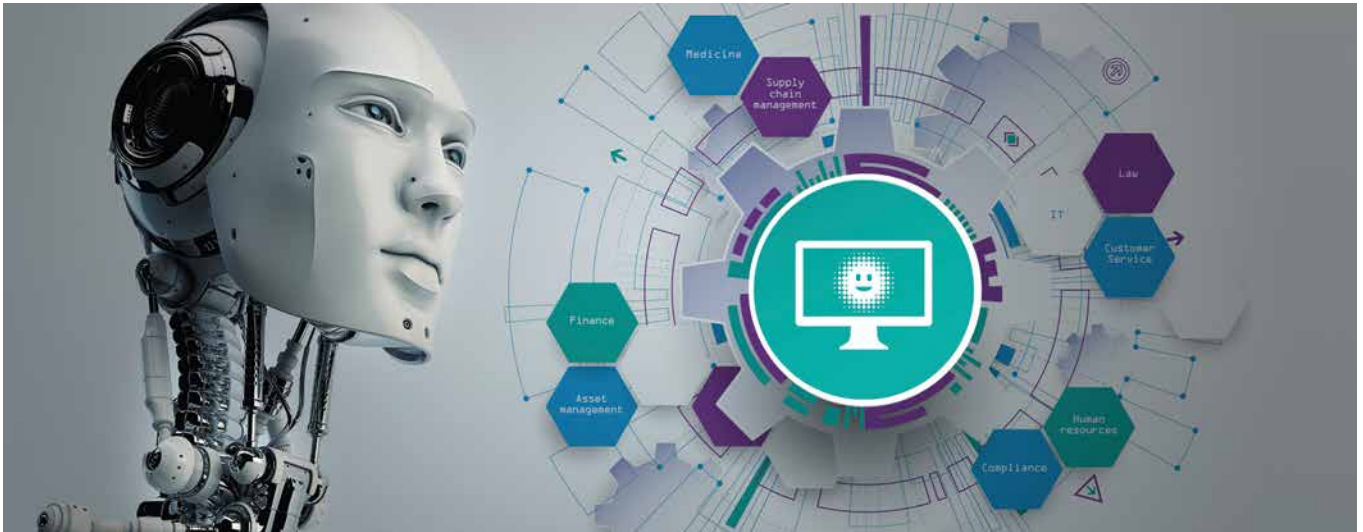
Our experience suggests that cognitive technologies and automation will have the strongest impact on the Finance function, HR, IT and compliance over the next 3-5 years. The projected impact is staggering, with as many as 50% of current functions predicted to be automated using already established technologies.

This creates big opportunities, but also some major challenges along the way: how do you identify the best opportunities for automation? Which vendors do you approach? And, what do you do with your staff once you have automated 50% of their tasks? And while each organisation will have its own way forward, KPMG has identified three common steps along the journey.

## GETTING STARTED

Your initial temptation may be to reach out directly to technology providers. We recommend resisting this approach and advise on the following three steps:

1. **Opportunity discovery,**
2. **Vendor selection and pilot,**
3. **Implementation.**



## STEP 1

### Opportunity discovery

The first step is the most important - it ensures that any subsequent decisions you make are driven by your business objectives, rather than the desire to find opportunities to fit a particular technology.

In some cases, RPA and/or Cognitive Technology will be the best solution. However, it is also possible that some opportunities could be addressed by non-technological solutions (such as process optimisation), delivering the same results without the need for investment in new technology. By spending a bit of time upfront to discover, you will avoid hasty mistakes and save a lot of time (and money) in the future.

## STEP 2

### Vendor selection and pilot

The optimal way to learn about Cognitive Technologies and Automation is to test them in your environment using a simple pilot project - but we recommend you start small. Choose a simple process with clearly defined rules. Don't worry about the number of steps in the process as Automation doesn't care if it takes one step or a thousand - it will follow them consistently, each and every time.

RPA technologies are relatively inexpensive and can be piloted and tested within a relatively short period of time (usually a couple of weeks). Observing the immediate impact of automation on the consistency and speed of a mundane process can turn the harshest sceptic into a firm believer. In saying that, the pilot project is not just a demonstration. It allows you to test the features (and cost structures) of various providers, better understand what makes some opportunities more suitable for automation than others and enable you to better plan for future automations.

At the end of the pilot, you should have generated enough insights and understanding of your own business and these technologies to develop a longer term vision and a map to help guide you.

## STEP 3

### Implementation

This final step is just the beginning of a longer journey. Having looked at your business, identified opportunities and learned from a simple pilot, you are ready to embark on a wider programme to transform your business, free your staff from routine tasks and deliver better services to your customers.

As you become more familiar with these technologies and build your internal capability, implementation of future automations should become reasonably straightforward. Our experience suggests that the most challenging (and in our view more interesting) questions will arise from how your business transforms in response to greater automation. These questions include:

- What is the right mix between automation and staff?
- How do I manage the transition of staff who may no longer have any tasks to do?
- Are there any new risks that cognitive technologies and automation may introduce that I may want to proactively manage?
- Should I consider changing how I provide and charge for the services my business delivers?

These are all valid questions that you should be asking and addressing on your innovation journey.

# Understanding Continuing Professional Development

*It's been nearly three years since the IoD introduced Continuing Professional Development, (CPD).*



Nikki Franklin, Manager Membership, Marketing and Communications

We're seeing an increase in members understanding of the CPD requirement, and the use of the CPD dashboard to record their governance related professional development.

It takes a while to embed new systems and it's pleasing to see members engaged with the system. It's top of mind for us, that we continually support you and provide assistance where we can.

We've made a short video about the CPD dashboard and how to self log activity, created a CPD quick guide, which includes what counts as CPD, and short guidelines in how to allocate points for informal and non IoD activities.

We recognise that there are a broad range of activities that you are doing that can contribute to your IoD CPD, and it is likely that some of the activities that you are doing to keep current and up to date with governance will count as CPD, for example CPD you've undertaken as part of your membership of other organisations, eg. NZ Law Society and CAANZ.

We acknowledge that directors undertake development differently at different stages of their careers. When we designed the CPD system we made it flexible enough to recognise the activity of our more experienced members including, the significant contribution you make when developing others in the profession.

Mentoring and giving back to the director profession counts as CPD as well as presenting on governance.

The CPD dashboard has been designed to make it easy for you to record your CPD and see how you're going towards the required 60 points.

It's good to aim for 20 CPD points per year, if you log your professional governance reading for the year, (10 CPD points), and attend a couple of branch events, online modules and workshops this is not onerous and can be achieved at little or no cost.

Use your CPD dashboard to record your activities as they happen, saving time and allowing you to see how you're tracking.

As we get closer to audit we encourage you to visit your CPD dashboard to see the automatically logged IoD activities that you have already undertaken as well as those that are upcoming. Consider what else you have undertaken which improves your performance in the boardroom.

We recommend you log your CPD undertaken for each year as although you have three years to gain your first 60 points (your foundation), you will need to continually maintain 60 points on a rolling three year cycle so regularly accumulating points at about 20 points a year makes this easier to maintain ongoing.

If you are unsure or have any questions regarding what counts, how to self-assess and self-log, we are happy to have a chat with you over the phone as a number of members have told us that this was really helpful.

*"If the activity relates to improving your governance performance, it can count towards your IoD CPD."*

*"It's good to aim for 20 CPD points per year."*

**Now you've read me, log me**



*Once you've finished reading BoardRoom, don't forget to log it as professional governance reading.*

**Up to a max 10 CPD points per year**



# Directors' fees – the right balance between risk and reward

*As the IoD again asks its members to contribute to the annual Directors' Fees survey, boardroom looks at why fresh, up-to-date data enable best practice remuneration guidance to be set, and then made available for members to use.*

Remuneration continues to be a subject of scrutiny and debate both in New Zealand and overseas. Recently NZ Super Fund Boss Adrian Orr's 23.4% pay rise made headlines, with some calling for its board chairman to step down, while an article in The Australian newspaper in March says boards are more sensitive than ever.

Directors bear an onerous and growing burden of responsibility, while needing to ensure organisations perform in today's increasingly challenging environment. Last year's Directors' Fees results showed the disparity between New Zealand and overseas owned companies decreased. Non-executive director pay in New Zealand owned companies moved **13.5%** from **\$37,000** to **\$42,000**, while overseas owned companies increased just **\$375** to **\$100,000** from **\$99,625** in 2015. The IoD will watch with interest in 2017 to see if this trend continues, especially in today's growing interconnected world.

The World Economic Forum 2017 Global Risk Report said the world is undergoing multiple complex transitions. 2016 was a year of backlash against social trends, and growing anti-establishment and anti-globalisation movements, and 2017 is unlikely to lessen growing concern.

Governance is about planning for the future, economies are about confidence, and directors are the backbone of that confidence. Good governance outcomes are achieved by strategic thinkers who are energised and diligent in the boardroom. To be able to deliver these outcomes, businesses must ensure that remuneration levels attract, motivate and retain good quality directors.

In 2016 the median increase in non-executive directors' fees increased by **3%** (**4%** in 2015), with the gap between male and female non-executive directors being **10%**, a drop from **21%** in 2015.

In New Zealand the average director fee was **\$55,843**. Globally, according to Spencer Stuart 2016 Board Index report, in Australia the average is **\$208,000**, Norway **\$54,571**, the UK **\$125,332**, United States **\$277,237**, Canada **\$195,397** and South Africa **\$46,220**.

At times the director community has been highly reticent to raise the issue of board remuneration and few other professions face such sensitivity about their fees from stakeholders. That said we should recognise a degree of scrutiny is justified as directors are critical fiduciaries of the interests of others.

It is important organisations keep up with the market as the director role continues to increase in complexity. The overall risk and shared liability means organisations need to ensure director fees are at the right level.

This year the IoD is again asking its members to be part of the annual Directors' Fees Survey. If you have a current governance role, whether paid or unpaid, the IoD would appreciate your participation.

Participation in this survey contributes to the IoD's ability to advocate and provide best practice director remuneration guidance to you and other IoD members. This is the only survey that collects information from both IoD members and New Zealand organisations.

Survey responses are collected and compiled by our survey partner, EY. This will be the third year working with EY and follows on from a very successful 2016 survey where we had the highest participation rate yet.

## Participate in the 2017 Directors' Fees Survey

Our annual survey, undertaken by survey partner EY, has kicked off and we encourage your participation. As the professional body for boards and board members in New Zealand, the IoD recognises the importance of appropriate remuneration for directors.

We rely on a high member participation rate to achieve depth and wide coverage in the report. If you participated in 2015, your 2016 survey will have been pre-populated with last year's answers. Just update any details that have changed this year. If nothing has changed, you can click the 'No new changes since your previous submission' button at the top of page one of the survey.

Whether you work for a large commercial organisation, a SME or are unpaid on a not-for-profit board, we want your input.

Participants receive free executive highlights, a \$200 discount on the already discounted member report price and the option to self-log 2 CPD points.

**See our website for more information or email [boardservices@iod.org.nz](mailto:boardservices@iod.org.nz)**

Directors  
Responsibilities  
Post  
Earthquake



*Josh Blackmore was part of a panel mediated by IoD Wellington branch chair Dr Helen Anderson, speaking about directors' responsibilities post-earthquake and Richard Shehean has advised many organisations on their obligations post-earthquake events. Here they share tips for directors to consider.*

New Zealand's landscape is shaped by forces of nature. Our largest lake sits in the shell of a volcano caldera, the Southern Alps run along a major fault line, and the shoreline of our capital city shifted considerably after an earthquake in 1855. These events are part of our history, our present and our future. Preparedness and understanding your obligations will help minimise the impact on the organisation you govern and its people, should your organisation face such an event.

**Josh Blackmore** – Partner, Chapman Tripp

#### **IS THERE A CLEAR DIFFERENTIATION BETWEEN THE OBLIGATIONS OF LANDLORD VERSUS AND DIRECTORS OF TENANTS?**

Under the Health and Safety at Work Act (HSWA), Blackmore explains that there is an expectation on cooperation and collaboration when thinking about the potentially overlapping responsibilities of PCBUs (what Worksafe calls “overlapping duties”). If you are the director of a business using an office building, your business and the landlord will both have responsibilities as a PCBU. That doesn't mean that a business (and its directors) can leave all responsibility with the landlord – and vice versa.

“A director of a tenant doesn't get to absolve themselves of responsibility because of the responsibilities of the landlord. That's not how the legislation works. The expectation is that both of those people are in a position to influence the safety of employees; they will be taking their own steps to assess risks and mitigate or remove risks – there is an explicit duty on PCBUs to cooperate, co-ordinate and consult with others in the workplace.”

Some of the anecdotal examples that were raised during the panel discussion, Blackmore says, suggest that challenges can arise where the risk assessment of a landlord differs from that of a tenant (and its board). As with any expert opinion, there can be different views.

“We had some questions in the session about variations in the assessment of how a building was likely to perform against the Building Act requirements (NBS - New Building Standard) in an incident. A big focus was on how do you assess your building after an incident like the Kaikoura earthquake in November? What do you do, and how you should be thinking about building safety?”

“The legal answer is that the legislation doesn't differentiate between duties before, or after, a major earthquake. However, clearly the factual circumstances have changed and PCBUs must assess whether a building remains a safe place to work, having regard to damage suffered during the earthquake. That's where the problems can arise.”

**Lesson: The relationship with your landlord is important. Have good lines of communication with them, as well as those businesses in the buildings around you.**

#### **SO WHAT DO YOU DO AS A DIRECTOR IF YOU HAVE CONFLICTING ADVICE ON BUILDING SAFETY, IF YOU DON'T UNDERSTAND THE ADVICE OR, IN EXTREME EXAMPLES, YOU DON'T TRUST THE ADVICE?**

That is difficult, says Blackmore. “There is no safe harbour for a director to say ‘the advice I got from my landlord is that it's fine and therefore I didn't need to consider



Richard Shehean



Josh Blackmore

the situation any further than that'. That's not how the legislation works. Having said that directors aren't being asked to assume the role of a structural building engineer; they are entitled to rely on expert advice.

“The advice we're providing is that, for directors, it's about ensuring your organisation is taking steps to confirm the position, and in situations where there is a lack of confidence in an expert's assessment, it is prudent for an organisation to take independence advice.” In addition, health and safety risks in an earthquake are unlikely to be limited to structural issues – for example, unsecured chattels (which are often a tenant's responsibility) – can cause hazards.

Directors should remember that the primary duty lies with the PCBU – and that a director's role is to ensure that their organisation is undertaking due diligence – how you do that is up to your board and your organisation.

“In Chapman Tripp's experience, most boards have been pretty rigorous. That has extended to wanting to review primary materials and to do walk arounds,” Blackmore notes.



“There’s no one size fits all.”

**Lesson: Due diligence, holding management to account and understand your obligations**

**Worksafe advice on officers’ due diligence** - <http://www.worksafe.govt.nz/worksafe/information-guidance/all-guidance-items/position-statements/documents/officers-due-diligence.pdf>.

#### KEY LESSONS MOVING FORWARD:

“Our organisation has found that a good, ongoing relationship with an engineer is valuable. We wanted to have independent verification and that was a consistent theme in the workshops. That’s not specifically required by law, but it does seem that directors are erring on the side of prudence,” Blackmore says.

“We have also learned the value of understanding who to talk to at the council - it’s not just about your individual building, it’s about issues going on in the CBD more generally and that has an impact on the health and safety of your employees as they are coming and going into work. In some cases, it may be that your engineer is the best person to manage this as they are liaising with council on a regular basis as well.”

“Prepare yourself to be able to have these conversations so that you can get a really good picture of what’s going on.”

**Richard Shehean** – General Manager, Risk Management Practice Marsh

#### WHAT DO DIRECTORS NEED TO KNOW ABOUT INSURANCE?

The earthquakes in Christchurch and more recently in Kaikoura have shown how the insurance market reacts to major events. The size of these events naturally requires a response from the insurers. In the immediate aftermath of both events the insurance market in New Zealand became what Shehean calls “challenging”. He says as a director it’s important to understand the response that your insurer is going to have, whether your organisation is directly impacted by the event or not. Shehean explains how embargoes, whether announced or unannounced, are used

for a period in the short term post-earthquake period. These normally involve a short period where new business or a general increase of the sums insured in the affected area is not accepted. The embargoes vary in terms of length but are only a short term measure.

#### BUT WHY DO INSURERS DO THIS? ARE THESE RESTRICTIONS A KNEE-JERK REACTION? SHOULDN'T THE INSURANCE BUSINESS HAVE MORE STABILITY?

“Different insurers have different responses,” Shehean says. “However, if you think about it from a business position it is only natural that the insurers pause to take stock of the impact of the event on them. They will be looking at the impact of losses on their balance sheets and reinsurance arrangements. There is a lack of information immediately post event and as the insurers accumulate the necessary information they can assess the effect on them and realign their business.”

These reactions are often viewed as knee-jerk by insurance buyers, and while they are definitely inconvenient and frustrating, they are unfortunately only to be expected. When a 1:1000 year event happens to any organisation there is going to be a period of review as the insurers decide how to handle new business that may be carrying claims that have not been notified, and how any losses are going to impact the cost of reinsurance protection.

When people talk about stability in this sense they generally mean the stability of premium paid, and it is frustrating for organisations that are not affected by losses that their premiums increase, and often significantly. On the other hand, the industry continues to underpin business by paying the claims and continuing to offer cover providing stability to recover operations and make future investments.

**Tip: Insurers differ – understand the financial rating and previous responses of your key insurer partners**

#### INSURANCE IS DRIVEN BY DATA

The insurance industry is driven by data. The insurers have accumulated detailed information on losses, building

performance, and soil /rock types over many years. They use this information and the outputs of various catastrophe modelling agencies to assess whether to accept the risk and at what price.

The use of data, as in many industries, is only going to increase. The modelling in New Zealand at present has not reached the individual location level but inevitably that will arrive as it has in other countries. So at the moment insurers are making assumptions and decisions based on the information presented. Directors can expect that the level of information requested will increase, it will no longer be possible to just confirm a buildings' New Building Standard rating is 100% and expect to get treated leniently because many of the biggest losses from the Kaikoura event happened to very well rated buildings.

Consequently the better the information that can be provided the better the outcome of any negotiations with insurers. A modest investment in preparing a detailed underwriting information proposal may well secure better terms and conditions, and may be the difference in some cases between being able to obtain insurance or not.

**Tip: Ask questions about your risk profile and what has been done to understand it? How is it being presented to insurers? What can be done to improve it? How does the building stand with the National Building Standards?**

#### INSURANCE COVER MAY CHANGE IN FUTURE

Ultimately, insurers are in business to generate a profit for their shareholders. The combined impact of the Canterbury and Kaikoura events will total well in excess of \$20bn of losses to the insurance industry while earthquake premiums were running at around the \$500m mark. So something is likely to give.

New Zealand has been very fortunate in as much that we have been able to buy full earthquake insurance, at reasonable premiums, with reasonable terms and conditions. This is not what happens in other seismically challenged areas e.g. Taiwan or California. While it has not happened yet another sizeable event could force a change in approach. This will have a major impact on the level of risk that businesses and individuals have to assume.

The way to avoid this is to mitigate the impact of any events through building standards. The current building standards are quite rightly designed to protect lives, and there can be no other starting point. But the long term viability of continuing the current approach to earthquake insurance in New Zealand is being questioned. With two large events in a relatively short period insurers are looking at the risk they are taking and unless we are lucky enough to have another very long earthquake free period it is likely we will see some changes.

#### FACTS AND FIGURES:

- The Canterbury earthquakes (2010-2011) are the fifth-biggest insurance event in the world since 1953. According to Vero latest estimates from the Treasury indicated damage at \$40 billion or 20% of current GDP
- Damage caused by the Canterbury earthquakes represents 10% of New Zealand's GDP of which 70% percent was insured. Compared to Japan – 3-4% of GDP of which 20% was insured

#### NOT A NEW ZEALAND-ONLY ISSUE:

- Earthquakes in California have dramatically impacted the insurance industry. In San Francisco home and business owners face high premiums to gain cover due to the high likelihood of further quakes. As a result, less than 20% of Californians have earthquake insurance, and full insurance is no longer possible, the highest insurance will go is 40% coverage.
- In Australia bush fire insurance and flood protection are difficult to come by in some areas.

#### Relevant legislation:

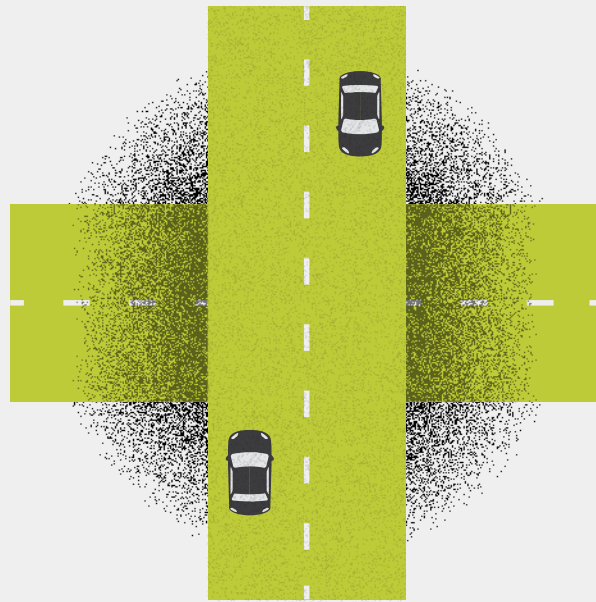
Building Act 2004  
Health and Safety at Work Act 2015

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**We can.** Contact us now to find out how...  
0274 520 763 or support@autosense.co.nz

**AutoSense**  
Driving Safety



# WORKSAFE ON OUR ROADS

*HSWA, PCBU and Primary Duty of Care, Officers  
and Due Diligence – of course we know this  
acronym soup! Are we becoming blasé? Do we wish  
Worksafe would just go away? Not likely!*

As directors or senior managers, readers are probably Officers as defined by the Health and Safety at Work Act. Independent directors are probably Officers of several businesses or undertakings concurrently. We Officers have significant obligations requiring continuing due diligence to ensure that the business is meeting its health and safety responsibilities. Not to be forgotten is our personal exposure to hefty penalties.

A principle of the Act is that the entity creating the risk, manages it. Fair enough. This implies that with more involvement, learning and an open mind, we can shift our attitude to one of genuinely caring for the health and safety of our workers, and participating in the reduction of risk.

Worksafe's stated focus is currently on adventure activities, agriculture, asbestos, Canterbury rebuild, construction and building, energy safety, forestry, hazardous substances, high hazards, manufacturing and work related health.

Importantly, it has recently elevated its focus on safety in work vehicles given that about 30% of road crashes occur in work-related vehicles.

The numbers are big. About 250,000 workers (10% of the workforce) are required to drive a work vehicle at least occasionally. On our roads are work-related journeys involving trucks, buses and coaches, cars, vans and taxis - plus all the off-road vehicles in agriculture, industry, forestry, construction, etc.





For hundreds of hair-raising crashes, you might visit YouTube for its Dashcam Owners Australia/ Australian Car Crash Compilations. A terrifying wake-up for all of us HWSA Officers! Now appreciating the crash risks faced by our workers and contractors reinforces our duty to manage on-road health and safety. We cannot assume that a driver's licence is proof of competency, and have to take the lead ourselves: -

Utilizing the system and tools on offer from Worksafe <http://www.worksafe.govt.nz/worksafe/toolshed>;

Looking for ways to mitigate risk and to get the drivers and their passengers home safe;

Working on driver competency, driver risk factors, vehicle safety features, fleet condition, load limits, and shift rosters.

Under strong policy direction from boards and CEOs, it is the HR and Training managers who are making considerable progress to derisk the fleet driving activity on our roads. Their focus is on competency, alertness, concentration and elimination of distraction.

New technologies are making this work more efficient for the organisation while much more palatable to drivers.

Examples of these technologies are:

- **Simulators:** Long accepted in pilot training, a simulator projects a virtual cab of a truck or coach in a realistic road environment. The simulator assesses the competency of the driver against

prescribed driving standards and proposes training modules to bring that driver to a higher and safer level of skills;

- **Dashcams:** Around for several years as a retrofit and now standard in Teslas and some hi-spec trucks. A few advanced models offer a two-way camera, recording both the road ahead and the driver at work. The latest development is an Australian invention, which knows the planes of its driver's face and recognises the signs of falling asleep. This ultimate guardian of driver safety is programmed to wake the driver before a catastrophic crash;
- **Fatigue management systems,** which bring behavioural and lifestyle dimensions to the issue;
- **Palatable training modules for drivers,** often delivered as a standard element of a Learning Management System operated by the organisation's HR Department. Modules are becoming tight, focused, relevant and practical. Viewable online via Smartphone, this training is virtually painless yet risk based, effective and compliant.

Supporting these technologies are various managed data systems, capturing and assessing data against standards, reporting to fleet owners, proposing and recording driver development programmes, validating compliance, and providing evidence for insurers, regulators and courts.

Under Board and Senior Management direction, HR and Training Managers are proactively assessing their options for

efficient and effective compliance and competency assessment and monitoring, fitting seamlessly within existing training systems. As importantly, for their positive effect in building a workplace culture of caring that our people get home safely.

Worksafe is a strong supporter of the adoption of these technologies, assessment and training systems and is installing selected technologies in their own vehicles alongside driver competency programmes for their people.

While the Primary Duty of Care sits with the business or undertaking (the PCBU), this is a technical point since the business is not usually a person. The reality is that we Officers must ensure that the business is meeting its responsibilities and that the risks of our work-related driving are understood and managed.

**Warren Dalzell, CFInstD**

**Are you fully up to speed with Worksafe's concepts?**

Test yourself on the Worksafe quizzes!  
[www.worksafe.govt.nz/worksafe/hswa/tools-and-resources/quizzes](http://www.worksafe.govt.nz/worksafe/hswa/tools-and-resources/quizzes)

*Declaration of Interest – Warren Dalzell, CFInstD, is chairman and shareholder of a specialist work-related driver competency and safety company.*

# I'm looking for... a board position

*Whether you are an aspiring director looking for your first position, or an experienced director looking to expand your governance portfolio there are steps you can take to better position yourself for a new role.*



Kelly McGregor,  
Board Services Advisor

The IoD provides a number of avenues for member looking for governance opportunities; whether it's applying for roles advertised via our DirectorVacancies or by registering on our DirectorSearch database so that you're being considered for all opportunities with our clients. If you're looking for your first board appointment consider registering on the Future Directors database. If you already have governance experience but are looking to gain board positions with larger organisations, consider applying for Mentoring for Diversity.

Board Services Advisor, Kelly McGregor, says "registering with the IoD's DirectorSearch services is a must. Organisations come to us with specific criteria which we use to search for potential candidates. If you're not registered, you may be missing out."

## PREPARE A GOVERNANCE CV

Include a governance statement with your own value proposition, key skills and experience and sector involvement. Governance experience should be highlighted.

Keep up to date – regularly update IoD DirectorSearch database.

If applying for a specific role, tailor your CV and include a cover letter.

*"I have found the IoD excellent to deal with as they assisted me by critiquing my governance CV. I have since been shortlisted for a couple of board positions and appointed to a chair position via DirectorSearch."* Mary Gordon,  
Chair of Triple A Advisors Association

## LINKEDIN PROFILE

Keep information up to date and let your networks know that you are interested in governance roles, particularly if they only know you as an executive.

## MAKE YOURSELF AVAILABLE

Register with board appointment agencies – including IoD's DirectorSearch service – it's a member benefit to register and will enable us to consider you for governance roles.

Regularly check the IoD's DirectorVacancies page for current vacancies. There are roles with commercial and not-for-profit entities and as a member you can view the advertisements.

Let your networks know that you are interested in governance roles, attend branch events and functions where you think there will be people of influence in the governance space.

**Check BoardRoom for current director vacancies, or visit our website [www.iod.org.nz/Membership/Looking-for-board-appointments/DirectorVacancies](http://www.iod.org.nz/Membership/Looking-for-board-appointments/DirectorVacancies)**

**Register for Future Directors online [www.futuredirectors.co.nz](http://www.futuredirectors.co.nz)**

*"I am increasingly seeing larger private companies looking to put together or enhance their boards, and have seen the IoD's DirectorSearch team add real value in these processes – both in informing owners and in reaching within the director network to source appropriate candidates. Two of my current director roles have been sourced through DirectorSearch and I've found Kelly and the team to be thorough and professional in their approach – both in terms of understanding the needs of the companies for whom they are acting, but also in regards to understanding my objectives, skills and experience and making appropriate matches to potential opportunities."* Hamish Bell

## COMMIT TO LIFE-LONG LEARNING

We are regularly asked specifically for candidates who are on the Chartered Member pathway; it shows you are committed to continuous professional development and undertake regular training and other activities to enhance your governance knowledge.

Find out more about becoming Chartered – check our website or get in touch with the membership team.

*"It gives me, and the boards that I'm joining or boards that I'm on, the confidence that I'm investing in myself to be keep up with what's importance for boards of today."*

Michael Ahie CMInstD, talks about the value of becoming a Chartered Member

# TIPS FOR YOUR GOVERNANCE CV

*Your governance CV is just one step in the process, but it's important to get it right.*

You can find governance CV guidelines on the IoD website.

**Tip:** At a glance, can a reader identify your value proposition?

Relatively simple changes can be made to a CV to better reflect governance experience and achievements.

## THINK ABOUT THE FOLLOWING:

- Does your CV clearly detail your experience of working with boards and in what capacity you did this? Are you a director, a chief executive who reports to the board or senior manager who understands the governance process?
- List your governance experience first, then your executive work history
- Keep the CV to 4-5 pages maximum
- It is useful to note your behavioural/emotional intelligence skills. Boards are looking for a person with the capabilities of a team player, who can also hold robust, independent views around a board table where respect is valued.

## INFORMATION TO INCLUDE:

- Skills/value proposition
- Sector experience
- Size of organisations
- Governance roles (including dates)
- Executive roles (including dates)
- Key memberships/professional development

**Tip:** Have you considered a governance statement? This is similar to an executive summary at the beginning of your CV and indicates your style and strengths.

# Out & about

## AUCKLAND

Several well-attended events kicked off 2017 for the Auckland branch. In February members attended a breakfast event with Joan Withers and panellists Tony Carter, Dame Paula Rebstock KNZM and Michael Stiasny. In March a breakfast was held with RBNZ Governor Graeme Wheeler. Congratulations to all Chartered Members who received their awards this year and to Sir Ralph Norris on becoming a Chartered Fellow.



## CANTERBURY

At the first branch event for 2017 members heard from Minister of Trade, Hon Todd McClay, who spoke about the Trans Pacific Partnership, and Peter van Rij was announced as a Chartered Fellow. During March the branch hosted Peter Bailey from Aura Information Security, and held a new member lunch. The branch AGM featured guest speaker Andy Coupe, who talked about Solid Energy and some of the factors that led to its demise.



## OTAGO SOUTHLAND

The branch hosted a live streamed event in February, a talk with Dr David Kerr held in Dunedin and streamed to Queenstown and Invercargill. ASB's Kevin McDonald spoke during the branch AGM in March, and the branch hosted Colin Keel, CE of Queenstown Airport, who discussed the board's role in infrastructure planning at an event in Queenstown.

## TARANAKI

Members had the opportunity to hear from Steve McCabe who spoke about cyber security during the branch AGM in early March.

## BAY OF PLENTY

The first branch event of the year was held at the end of March - the branch AGM with guest speaker Ross Buckley.

## WELLINGTON

A brown bag lunch on governance CV writing tips was well-received by members, Wellington mayor Justin Lester spoke to a packed crowd about the first 100 days in office, and a new member's welcome event are just some of the highlights from the Wellington branch.



- 1 | Dame Alison Paterson, Mike Budd, Brian Corban (Auckland)
- 2 | Elena Trout, Dame Jenny Shipley (Auckland)
- 3 | Garry Downs, Greg Batkin (Auckland)
- 4 | Sir Ralph Norris, Ross Buckley (Auckland)
- 5 | Rob Hewett, Geoff Allott, Richard Hegan, Melissa Baer (Canterbury)

- 6 | Alex Skinner, Peter van Rij (Canterbury)
- 7 | Wendy Muldrew, Noeline Halstead, Anthea Herron (Canterbury)
- 8 | John Ryder function (Nelson Marlborough)
- 9 | Max Spence, David MacGibbon, Paul Bell (Nelson Marlborough)

- 10 | Delece Hall, Bruno Simpson (Nelson Marlborough)
- 11 | Gillian Spry, Lisa Anderson, Di Hallifax, Daniel Shore (Waikato)
- 12 | Simon Lockwood, Michael Crawford (Waikato)
- 13 | Martin Thomas, Rollo Webb (Waikato)

## NELSON MARLBOROUGH

Branch members had the opportunity to attend several events to kick off 2017. In February Mike Glover shared lessons learned from the national recall of Fruzio frozen berries, Sir Maarten Wevers provided a governance perspective on planning and responding to natural disasters, and John Ryder talked on the fundamentals of business.



## WAIKATO

So far this year members at the Waikato branch have had the opportunity to attend events with Ngaire Best on the in's and out's of Crown board appointment, Andrew Hampton looking at cyber security and the branch AGM with Ross Buckley. Congratulations to Michael Crawford who received his Chartered Membership certificate in early March.



## Company Directors' Course

WAIHEKE ISLAND 26 MARCH 2017

**Back row:** Mark Hamilton, John Sheriff, Scott Brownlee, Stephen Adams,

Alec Ekeroma, Brian Young, Bernie Diver

**Middle:** Kathryn Phillipson, Kim Lorigan,

Archie McGeorge, Kerrie-Lee Magill,

Chris Brown, Ruth Macleod, Lynne Banks,

Grainne Troute

**Front row:** Jodie Tipping, Mary Pinfold,

John Caradus, Stacey Whitiora, Kieren

Mallon, Maree Haddon, Judith Stanley,

Adele Bryant, Michaela Dumper



INSTITUTE OF DIRECTORS

# Events Diary

*For more information visit [www.iod.org.nz](http://www.iod.org.nz), or contact the director development team or your local branch office*

## Self-paced study

*Online modules can be completed anytime, anywhere and at your own pace.*

- Directors' and Officers' Insurance
- Ethics – How directors do business
- Health and Safety Governance
- Not-for-Profit Finance Fundamentals
- Hot topics for SME directors webcast

## Webinar

**24 MAY**

Chairing Fundamentals

**16 JUNE**

Risk agility for SME directors

**20 JUNE**

Risk Trends

## Auckland

**02 MAY**

IoD Annual Conference

**03 MAY**

[Next Generation Director workshop, North Shore](#)

**07 MAY**

Company Directors' Course

**09 MAY**

Governance Essentials

**09 MAY**

Director Accelerator Lunch

**10 MAY**

Finance Essentials

**11 MAY**

Risk Essentials

**31 MAY**

Company Directors' Course Refresher

**06 JUNE**

[Next Generation Director workshop, Auckland CBD](#)

**07 JUNE**

State Sector Governance

**07 JUNE**

Chairing the Board

**11 JUNE**

Company Directors' Course

**14 JUNE**

[Welcome cocktails](#)

**19 JUNE**

Company Directors' Course - Non-residential

**27 JUNE**

Governance Essentials, Auckland Airport

**28 JUNE**

Finance Essentials

**01 JULY**

Not-for-Profit Governance Essentials, Albany

**03 JULY**

[Director Accelerator Lunch](#)

**10 JULY**

Company Directors' Course - Non-residential

**25 JULY**

Advanced Health and Safety Governance

**26 JULY**

Digital Essentials

## Bay of Plenty

**03 MAY**

[Lunch function with Kevin Stirrat, Tauranga](#)

**04 MAY**

Not-for-Profit Governance Essentials, Rotorua

## Waikato

**17 MAY**

[Lunch function with guest speaker Neil Quigley](#)

**23 MAY**

Governance Essentials, Hamilton

**24 MAY**

Finance Essentials, Hamilton

**24 MAY**

[Waikato Chamber of Commerce/ Waikato Branch lunch function with Graeme Wheeler](#)

**25 MAY**

Strategy Essentials, Hamilton

**14 JUNE**

[Lunch function with Tony Carter](#)

**27 JUNE**

Rural Governance Essentials, Hamilton

## Taranaki

**04 MAY**

[After work function with Tony Carter, New Plymouth](#)

**17 MAY**

Rural Governance Essentials, Hawera

**05 JULY**

Risk Essentials, New Plymouth

## Wellington

**4 MAY**

[Breakfast with Michele Embling, Havelock North](#)

**09 MAY**

Chairing the Board

**11 MAY**

[Breakfast with Colin McDonald](#)

**19 MAY**

[Breakfast with Vic Crone](#)

**25 MAY**

[Chartered Fellows dinner with Jan Dawson](#)

**28 MAY**

Company Directors' Course

**7 JUNE**

[Lunch with Graeme Wheeler](#)

**20 JUNE**

Not-for-Profit Governance Essentials

**21 JUNE**

Strategy Essentials

**22 JUNE**

Audit and Risk Committees

**28 JUNE**

New members after 5 welcome event

## Nelson Marlborough

**16 MAY**

Evening function in conjunction with Sheffield

**24 MAY**

Lunch function with Mark Wheeler

## Canterbury

**05 MAY**

Breakfast function with Gordon Walker

**09 MAY**

Evening function with Ngaire Best

**26 MAY**

New members lunch

**13 JUNE**

Governance Essentials

**14 JUNE**

Finance Essentials

**15 JUNE**

Risk Essentials

## Otago Southland

**14 MAY**

Company Directors' Course, Queenstown

**15 MAY**

Health and safety - tips for directors

**22 MAY**

Luncheon event with Michael Stiassny

**27 JUNE**

Finance Essentials, Dunedin

**28 JUNE**

Strategy Essentials, Dunedin

**29 JUNE**

Risk Essentials, Dunedin

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# Director Vacancies

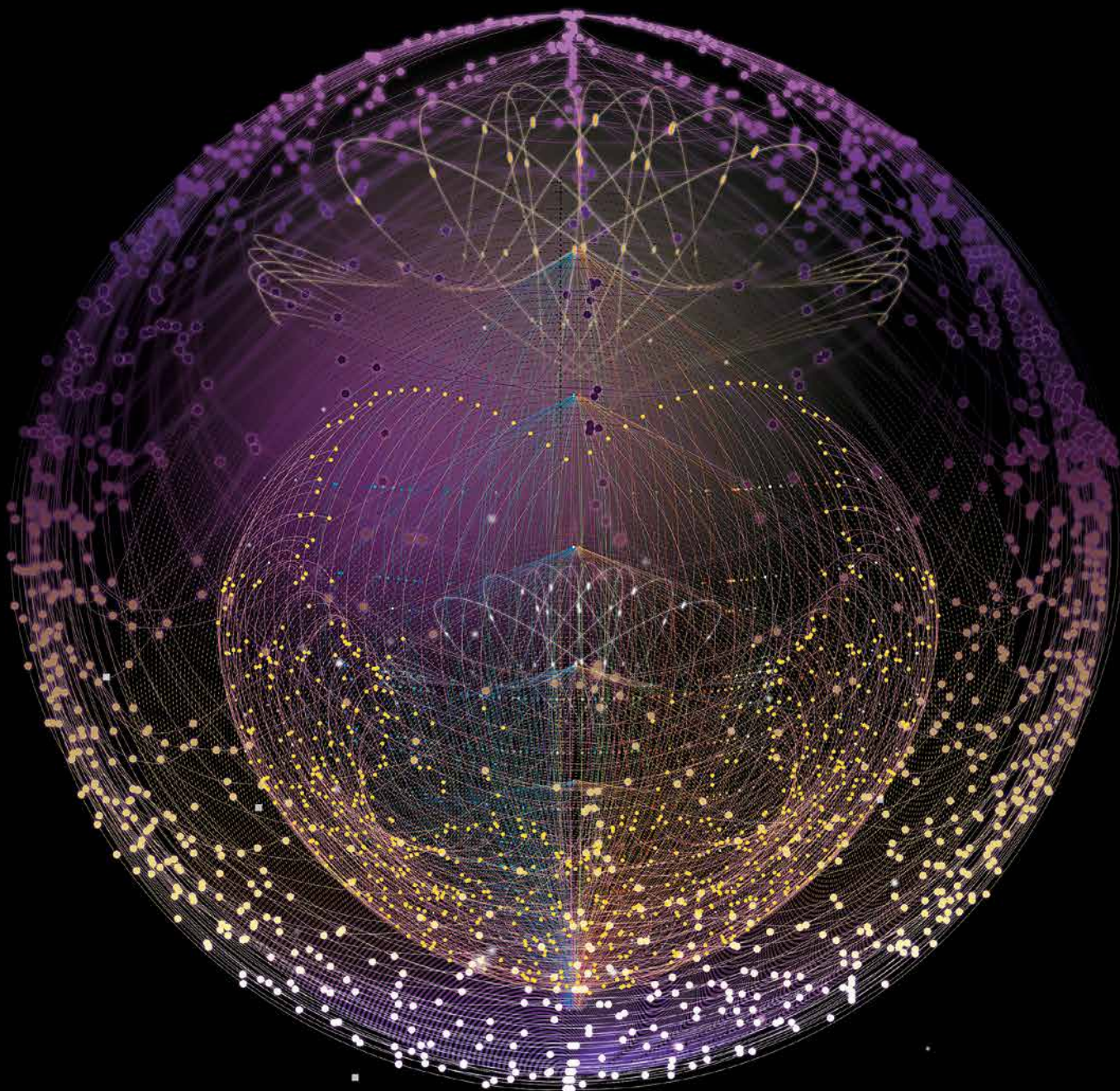
*Director Vacancies is a cost-effective way to reach IoD members – New Zealand's largest pool of director talent. We will list your vacancy until the application deadline closes or until you find a suitable candidate.*

**MANAWANUI IN CHARGE LTD****Role:** Directors (2)**Location:** Auckland**Closes:** 28 April 2017**QUEENSTOWN AIRPORT CORPORATION LTD****Role:** Chairman Director and Director**Location:** Queenstown**Closes:** 4 May 2017**NGATI TAMA KI TE WAIPOUNAMU TRUST - TAMA ASSET HOLDING COMPANY****Location:** Nelson**Closes:** 28 April 2017**ZEALANDIA****Role:** Trustee**Location:** Wellington**Closes:** 1 May 2017

### THE FOLLOWING POSITIONS ARE OPEN UNTIL FILLED.

**MS WAIKATO TRUST****Role:** Trustee**Location:** Hamilton**DEMENTIA CANTERBURY****Role:** Executive Committee/ Board Chair**Location:** Christchurch, Canterbury**ABLE CHARITABLE TRUST (SOUTHERN FAMILY SUPPORT)****Role:** Trustee**Location:** Regional - Otago/Southland**YOUTHLINE OTAGO INCORPORATED****Role:** Independent Member of the Board of Governance**Location:** Meetings are held in Dunedin**MELANOMA NEW ZEALAND****Role:** Trustees (2), and a Chairperson**Location:** Auckland





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