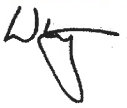


PROPERTY COMPANY STRUCTURE

Datworks Filename: Redland Investment Company P/L
(LCM4429)

Attachment: [Company Director & Chairperson CV](#)

Authorising/Responsible Officer: 
Bill Lyon
Chief Executive Officer

Author: Andrew Ross
General Counsel

PURPOSE

To request Council approve the appointment of the Chairperson, Deputy Chairperson and delegation to appoint Directors of Redland Investment Corporation.

BACKGROUND

On 26 November 2014 Council considered a confidential report and resolved amongst other things to create Redland Investment Corporation Pty Ltd (Company) as a beneficial enterprise under the *Local Government Act 2009*; and to appoint the Chief Executive Officer and Chief Finance Officer as 'Directors'. Further for the company Directors to recruit 3 other director positions for approval by Council.

On 10 December 2014 Council considered a confidential report and resolved to transfer 14 properties to the Company and for the directors to commence arrangements for transfer of underutilised Council land.

Recruitment & Selection Process:

The CEO with the assistance of Council officers has completed a selection and recruitment process for the Chairman's role initially.

The remaining director positions (x two), so as to form a company Board to reflect the necessary expertise and experience in finance, property development, investment and probity, will commence following the appointment of the Chairman.

This report recommends Council approve the appointment of Mr Philip Hennessy as Chairperson and to delegate authority to the Chief Executive Officer to appoint the remaining directors in consultation with Council.

The selection and recommendation process involved consultation with multiple sources, from industry and professional and statutory bodies with a due diligence checklist involving a review of:

- Educational and Professional Qualifications
- Industry and Professional Experience
- Appointment to current and former Company Board positions
- ASIC and Bankruptcy Search
- Character References and Conflict of Interest identification

Mr Hennessy holds qualifications in business, accountancy and real estate and was appointed by the Supreme Court of Queensland as an Official Liquidator. He has a long history in the business community in particular holding the position Managing Partner (Qld) of KPMG from 2000 to 2013, with oversight of their audit, tax and advisory services. He has and continues to hold multiple board positions. (see *Mr Hennessy's attached summary*)

Once the Chairman is in place a strategic planning meeting will be conducted with the Shareholder (RCC) and the Board of RCC to ensure strategic alignment to RCC's strategic direction for the company.

STRATEGIC IMPLICATIONS

Legislative Requirements

The recruitment and selection of the director has considered the local government principles under the *Local Government Act 2009 (Qld)*, and the provisions of the *Corporations Act 2001 (Cth)*.

Risk Management

A recruitment checklist has been developed to identify personal, professional and due diligence actions to manage risks associated with the appointments.

Financial

Operational costs are to be initially funded (in the short-term) via an internal loan with Council at QTC rates, as approved by through the Department of Local Government, Community Recovery and Resilience. This is in line with previously provided guidance.

Remuneration of Board members and Chairperson will be in line with QLD Government board appointments and Australian Institute Company of Directors mid band levels of comparative organisations. (Remuneration will be in line with current company plans, not future or possible growth)

RCC appointed officers do not receive board remuneration.

People

A small team from existing Council employees are assisting the directors and the company initiatives.

Environmental

There are no foreseen environmental concerns from this initiative.

Social

The financial success of the separate entity has the potential to increase funds available to Council as an additional revenue source, which may address different community needs.

Alignment with Council's Policy and Plans

The recommendation supports Council's strategic objective to exceed financial targets while delivering outcomes.

CONSULTATION

- Industry representatives
- Professional representatives
- Australian Security and Investment Commission

OPTIONS

1. Council adopts the recommendation in full
2. Council rejects the recommendation in full
3. Council amends the recommendation

OFFICER'S RECOMMENDATION

That Council resolves to:

1. Delegate authority to the Chief Executive Officer under s.157(b)(1) of the *Local Government Act 2009* to:
 - a) Appoint the individual recommended in this report to the position of Company Director and Chairperson, subject to successful negotiation of appointments terms and conditions;
 - b) Appoint directors in consultation with Council; and
 - c) Make, vary, discharge the appointments and to sign all relevant documents.
2. Appoint the Chief Executive Officer as Company Deputy Chairperson; and
3. That the report and attachment remain confidential.

