



Report 07.432
Date 21 June 2007
File WRS/08/01/06

Committee Council
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Changes to Constitution of Regional EDA Limited

1. Purpose

To obtain Council's approval to modify the constitution of Regional EDA Limited (REDA).

2. Significance of the decision

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

3. Background

The Council approved the constitution of REDA at their meeting on 13 March 2007 and subsequently approved an increase in the number of Directors from seven to eight. Following a meeting with the Chair of REDA additional minor changes are being recommended to the constitution.

4. Recommended changes

Currently the constitution of REDA includes in its definition of significant transaction the following:

- (a) *The acquisition of, or an agreement to acquire, or a series of related acquisitions of, whether contingent or not, assets the value of which is more than 20 percent of the value of the Company's assets before the acquisition or a series of related acquisitions; or*
- (b) *The disposition of, or an agreement to dispose of, or a series of related dispositions of, whether contingent or not, assets of the Company the value of which is more than 20 percent of the value of the Company's assets before the disposition or a series of related dispositions; or*
- (c) *A transaction or a series of related transactions that has or is likely to have the effect of the Company acquiring rights or interests or incurring obligations or liabilities the value of which is more than 20 percent of the value of the Company's assets before the transaction or a series of related transactions;*

REDA is unlikely to have assets exceeding \$100,000 to \$150,000 and as such minor transactions will be caught by the clauses above and require shareholder approval. This would result in the Shareholder having to approve a number of minor transactions. This is not the intent of the clauses above and as such some minor changes to them are being recommended.

Specifically for clauses (a) and (b) above change the 20% threshold to 50% and delete clause (c).

5. Communication

No communications are necessary.

6. Recommendations

That the Council:

- 1. Receives the report.*
- 2. Notes the content of the report.*
- 3. Approves the changes to the constitution of REDA as follows:*
 - i) in respect of clauses (a) and (b) increase the threshold from 20% to 50%*
 - ii) delete clause (c)*

Report prepared by:

Report approved by:

Barry Turfrey
Chief Financial Officer

David Benham
Chief Executive