



Report 07.371
Date 7 June 2007
File WRS/09/01/01

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

Remuneration of Regional EDA Ltd Board and Chair of the Wellington Regional Strategy Committee

1. Purpose

To seek the approval of the Council for revised remuneration rates for the Regional Economic Development Agency Board Directors and the Chair of the Wellington Regional Strategy Committee.

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 Wellington Regional Strategy Committee (the WRS Committee) met on the 6th June 2007 to review the remuneration rates for the non-Local Government members of its Committee and the remuneration of the Directors of Regional EDA Ltd (**Report 07.351**).

The Terms of Reference for the WRS Committee state that the seven political appointees to the Committee will not receive any additional remuneration for sitting on the Committee.

The remuneration rate for the independent members of the WRS Committee was set by the Council when the Committee was established as a permanent Greater Wellington committee in February 2007. On the recommendation of the Interim WRS Committee Greater Wellington confirmed a rate of \$1,250 per month (\$15,000 per annum) which had previously been set for the independent members (**Report 07.73**). No special rate was set for the chair of the Committee.

Remuneration for the Directors of Regional EDA Ltd is currently \$1,000 per month. This fee was set for the period the initial three directors were appointed

until the full Board was in place. Greater Wellington, on the recommendation of the WRS Committee, appointed the full Board at its meeting on 23rd May 2007.

4. Recommended Remuneration

4.1 Wellington Regional Strategy Committee

The WRS Committee recommends that the members of that Committee continue to receive the remuneration rate of \$1,250 per month previously set. The following principles were considered when the rate was originally set:

- the hours committed to the committee including preparation and travel time.
- the level of fees paid to people in comparable organisations.

The WRS Committee believes the rate of \$1,250 per month continues to reflect the level that will attract and motivate people to perform the tasks required of them at a high level, recognising that there is also a public good element to the role.

The Chair of the WRS Committee currently receives the same rate as other WRS Committee members. This does not reflect the additional time spent by the Chair that, in addition to the commitments of other WRS Committee members, includes duties related to meeting agendas, the media and attending public functions representing the Committee. The WRS Committee recommends that the Chair receives an additional \$5,000 per annum. This would take the remuneration of the Chair to \$20,000 per annum.

4.2 Regional EDA Board Remuneration

The WRS Committee recommends that the Directors of Regional EDA Ltd be remunerated at the same rate as the independent appointees on the WRS Committee. While the Committee accepts the roles are different it believes there are sufficient similarities to suggest that the fees should be aligned. In particular:

- both the Board and the Committee seek to attract professional people with high community standing
- there is an element of public good contribution to both the Committee and the Board; and
- the directors and the committee members have the same expectations on them to use their skills, networks and mana to promote and enhance the WRS and its successful implementation.

The WRS Committee therefore recommends that the Directors get paid an annual fee of \$15,000, and that \$20,000 be paid to the Chair.

These rates compare to similar Greater Wellington organisations as follows:

- The external directors of WRC Holdings Limited are paid \$12,500 per annum.
- The directors of CentrePort are paid \$33,000 per annum.
- Westpac Stadium trustees are paid \$12,000 per annum

In respect of other council controlled organisations in the region:

- Positively Wellington Business trustees are paid \$10,000 per annum
- Wellington Waterfront directors are paid \$25,000 per annum.

4.3 Review of the Fees

The WRS Committee recommends that the fees for the Regional EDA Board be reviewed prior to the first planned re-appointment of directors in three years.

5. Council's decision

The Wellington Regional Strategy Committee's Terms of Reference record that:

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

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

5. Communication

A press statement outlining the remuneration decisions will be released along with an announcement of the new Directors of Regional EDA Ltd. This will be done as soon as the Directors have accepted their appointment. This is anticipated to be soon after the Council meeting.

6. Recommendations

That the Council:

1. ***Receives the report.***
2. ***Notes the content of the report.***
3. ***Resolves that the non-local government members of the Wellington Regional Strategy Committee continue to be paid a monthly fee of \$1,250, equating to an annual fee of \$15,000.***
4. ***Resolves that Chair of the Wellington Regional Strategy Committee be paid an annual fee of \$20,000.***

5. *Resolves that Directors appointed to the Board of Regional EDA Limited be paid an annual fee of \$15,000.*
6. *Resolves that Chair of the Board of Regional EDA Limited be paid an annual fee of \$20,000.*

Report prepared by:

Sir John Anderson
Chairman, Wellington Regional Strategy Committee