

## **12. Remuneration of Council Appointed Directors/Trustees**

### **12.1 Remuneration and Indemnification of Directors/Trustees**

Council will decide whether directors/trustees on CCO boards are to be remunerated. The level of remuneration for directors/trustees will be set by Council in accordance with the factors outlined in section 12.2 below.

For the avoidance of doubt, Council expects that both Council-appointed, and co-opted director/trustees will be paid the same level of remuneration. Remuneration payment to non-voting observers will be at the discretion of the individual CCO.

In exceptional circumstances, where elected members and Council employees may have been appointed as a Board member of a CCO, they will not be remunerated for that role unless provided for by specific Council resolution.

The Council supports the payments by CCOs of directors' liability insurance and the indemnification of directors.

### **12.2 Level of Remuneration**

Where CCO directors/trustees are remunerated, the level of remuneration will be informed by the following factors:

- the need to attract and retain appropriately qualified directors/trustees
- the levels of remuneration paid by comparable organisations in New Zealand
- the size and scale of the CCO (turnover, value of assets, number of employees)
- complexity and scope of operations (complexity of issues, level of guidance for decision-making, relationship management responsibilities)
- accountability (scale of market risk, public interest and profile, potential risk to director's reputation and other key risks)
- skills the type of expertise and specialisation needed
- any changes in the nature of the CCO's business
- Council's affordability.
- any other relevant factors.

### **12.3 Regular Review**

Remuneration levels will be reviewed by Council at least once every three years, or whenever the performance of the CCO or the role of the CCO and its board changes significantly.

Remuneration of CCO board members will be annually adjusted by the Labour Cost Index (December quarter).<sup>1</sup>

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<sup>1</sup> by the movement of the Labour Cost Index – Annual percentage change against the previous December quarter. Board remuneration will be adjusted using the Public Sector Managers Occupation Group Percentage.