

Remuneration of Directors - Destination Coromandel Trust

TO	Thames-Coromandel District Council
FROM	Colleen Litchfield - Economic Development Programme Manager
DATE	15 May 2018
SUBJECT	Remuneration of directors - Destination Coromandel Trust

1 Purpose of report

This report seeks Council to consider the level of remuneration for the trustees of the Destination Coromandel Trust for the next three-year period 2018/19-2020/21.

2 Background

Destination Coromandel was established as a Trust by the Thames-Coromandel District and the Hauraki District Councils in December 2011.

Pursuant to clause 10.9 b of the Trust Deed, the remuneration of the trustees shall be transacted at the annual general meeting: *the confirmation of the remuneration of the Trustees, which shall be in accordance with the Councils' appointment and remuneration of directors' policy, adapted as necessary to the operating circumstances of the Trust.*

The Council's Appointment and Remuneration of Directors Policy 14 December 2005 states:

- Remuneration for directors will be detailed in the Terms of Reference for each position.
- Remuneration for elected members appointed to council organisations shall comply with the Local Government Elected Members' Determination, other relevant legislative requirements and Council's elected member remuneration policies.
- Where Council makes an external appointment, the level of remuneration and reimbursement of expenses, if any, shall be determined in open meeting.
- Except that, where the establishment of the council organisation has been the subject of the special consultative procedure, the remuneration of directors shall comply with the Statement of Proposal as approved by the Council.

The final decision on remuneration will be made at the Destination Coromandel Trust Annual General Meeting.

3 Issue

Thames-Coromandel District Council is one of the controlling councils of the Destination Coromandel Trust and determines the remuneration of the trustees.

4 Discussion

Currently the total remuneration budget for Destination Coromandel Trust's trustees is \$33,000. The average Chair remuneration for Regional Tourism Organisations (RTO) in New Zealand is \$15,014 and other board members \$7,474.

This is an average which includes large development agencies that include a RTO function.

The Chair of Destination Coromandel Trust was paid \$14,743 in 2017 and \$15,000 in 2016. The other trustees receive \$9,000 per year.

The General Manager of Destination Coromandel Trust informed Council staff that Destination Coromandel Board members receive higher remuneration (per person) than the average as the Destination Coromandel Trust has fewer Board members than the average RTO which results in a higher workload for each trustee. The total Board costs are lower than the average of other Tier 3 RTOs

The table below shows the levels of remuneration in more detail.

Regional Tourism Organisations (RTO)	Chair Remuneration	Board Member Remuneration	Board Admin Remuneration	Total Board Cost	Average Remuneration per board member (Excl Chair)
Total Cost (all RTO's)	\$375,360	\$1,073,250	\$108,810	\$1,557,420	
Average across all RTO's	\$15,014	\$41,279	\$4,352	\$60,646	\$7,474
Highest RTO	\$81,000	\$340,000	\$30,000	\$421,000	\$56,667
Average Tier 3	\$12,560	\$20,179	\$7,418	\$37,303	\$4,825

Options:

1. The level of remuneration for the trustees of the Destination Coromandel Trust remains at \$33,000 per year for the next three-year period.
2. The level of remuneration for the trustees of the Destination Coromandel Trust increases for the next three-year period.
3. The level of remuneration for the Trustees of the Destination Coromandel Trust decreases for the next three-year period.

Hauraki District council has resolved to retain the current remuneration of \$33,000 per year for the next 3 years at their council meeting on the 26 April 2018.

The planned funding for the Destination Coromandel Trust for the next three years is under deliberation as part of the Long Term Plan process. There is the potential for the planned funding to remain at a similar level of funding as in the 2017/18 financial year. It would be prudent for the remuneration to remain unchanged at \$33,000 per year for the next three years.

5 Suggested resolutions

That the Thames-Coromandel District Council:

1. Receives the 'Remuneration of directors - Destination Coromandel Trust' report, dated 15 May 2018.
2. Approves the level of remuneration for the trustees of the Destination Coromandel Trust at \$33,000 per year for the three year period 2018/19-2020/21.