



PROPOSED CHANGES TO TRUSTEE FEES, 2021 AGM

Background

Trustee fees have not changed for many years for Hokotehi Moriori Trust Group during a time when duties have become more complex with multiple boards and while asset levels, staffing and activity have all grown.

At the 2020 AGM the membership requested that a review of Trustee fees be undertaken enabling the 2021 AGM to consider new fee levels if appropriate.

The HMT CEO engaged the Institute of Directors to provide a report comparing fee levels of similar organisations for Trustees. This report is available to members upon request. The key information from this report is shown in the graphs below.

44°S 176°W

Hokotehi Moriori Trust

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Rekohu

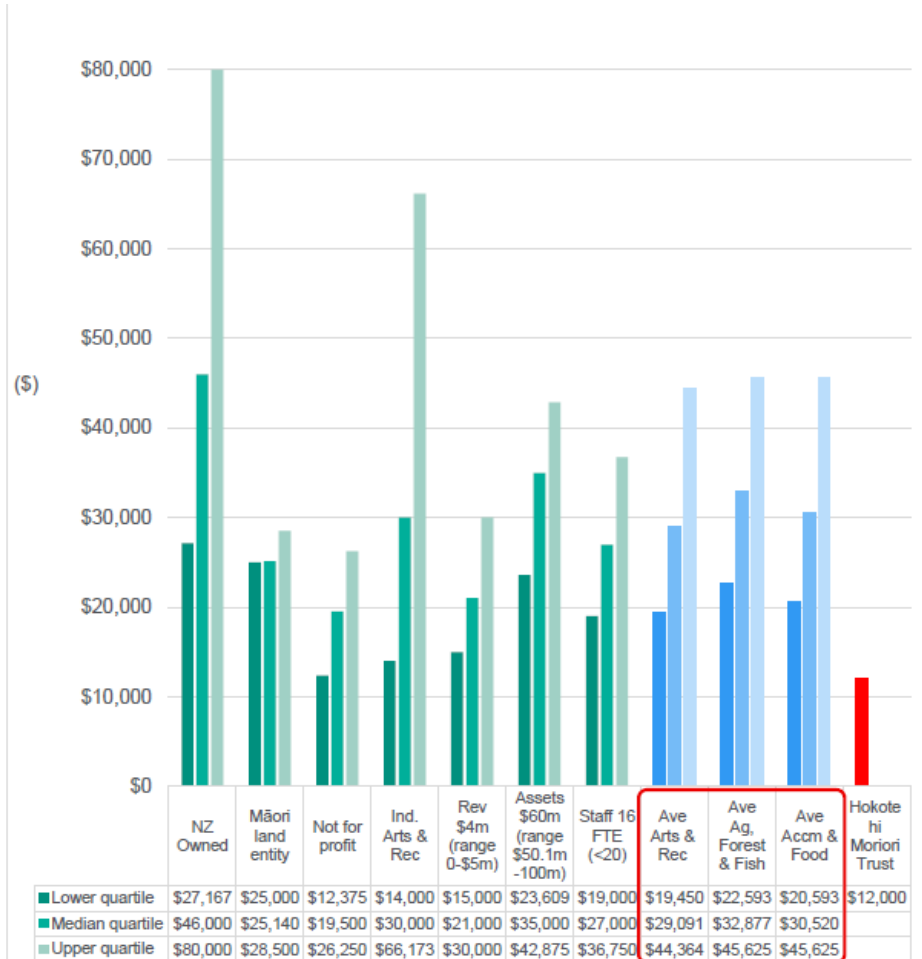
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Trustee Fee levels compared:





Chairperson Fee levels compared:



NOTE: THE IOD'S DATA FOR DIRECTOR ROLES IS CONSIDERABLY DEEPER THAN FOR CHAIRS; THEREFORE OUR METHODOLOGY PLACES A HIGHER RELIANCE ON DIRECTOR DATA AS A BASIS FOR ESTIMATING FEES FOR ALL BOARD MEMBERS.



Discussion

For Trustees, you can see that we pay significantly below the lower quartile for our sector. For the Chair we pay close to but still below the lower quartile.

In each of these tables you can see that the Institute of Directors has highlighted Accom and Food, Forest and Fisheries and Arts and recreational organisations. This is based on information provided. However we are also directly comparable to Maori Land Entity (with caveats), Not for Profit, Revenue in the \$5m range, staffing less than 20 FTE, and assets in the \$60M range. Therefore this paper proposes that an average across each of these comparators is useful for us.

Growing responsibilities

Our settlement, together with the multiple agencies that make up the HMT Group and for which the Trustees are responsible for demand that we seek a high level of performance from Trustees. In effect we have the renaissance of Moriori in the hands of our Trustees.

Desirable Fees Level

This paper contends that it is highly desirable that we pay fees that are commensurate with similar organisations in order to attract and retain high calibre Trustees. This paper also contends that we set fee levels that are affordable in the context of our organisation. It seems then that a stepped approach to increasing fees to bring them within the mid-range of comparable organisation over a period of years is a reasonable approach.

A step change

Trustees: This paper proposes that step 1 of a fee level adjustment is to bring the Trustee fees within range of the lower quartile of comparable organisations, with a further review in two years time. This provides for a change from \$12,000 as the annual fee to \$18,000 per year.

Chair: This paper proposes the same approach for the Chair. This provides for a change from \$26,000 to \$30,000 per year.

Trustee fees resolution: That Trustee fees are amended to \$18,000 per year effective from 1 January 2022 with a further review in two years' time.

Chair fees resolution: That the Chairperson fees are amended to \$30,000 per year effective from 1 January 2022 with a further review in two years' time. If there is a Vice Chairperson then the fee will be \$24,000. If there are two co-Chairpersons they will each be paid a fee of \$30,000.