

Report 08.64
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Approval of fees for WRC Holdings Group, Wellington Regional Stadium Trust

1. Purpose

To seek approval from Council to increase the level of:

- Directors' fees for WRC Holdings Ltd (WRCHL)
- Trustees' fees for Wellington Regional Stadium Trust. (WRST).

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. WRC Holdings Group (WRCHL)

The policy on the appointment and remuneration of directors recommends that in review of the remuneration of the external directors of WRCHL should occur every three years. Currently, the two external directors are each paid \$12,500 per annum to be directors of:

- WRC Holdings Ltd
- Pringle House Ltd
- Port Investments Ltd
- Greater Wellington Rail Ltd
- Greater Wellington Transport Ltd
- Greater Wellington Infrastructure Ltd.

The fees were set when there were only three companies. Since then, three new companies have been formed to own the Council's interests in public transport infrastructure. Currently, only one of those companies (Greater Wellington Rail Ltd) is operational.

4. Wellington Regional Stadium Trust (WRST)

WRST, which owns Westpac Stadium, has a board of trustees appointed by the two settlers to the WRST, Greater Wellington and Wellington City Council. The two Councils also have to approve any changes to the fees paid to the trustees. The cost of the trustees' fees is borne by WRST.

Wellington City Council has agreed to increase the fees for Trustees from \$12,000 to \$15,000, and the Chair from \$24,000 to \$30,000, and has requested that Greater Wellington approve the increase in the level of fees.

Prior to their approval, Wellington City Council consulted with the Institute of Directors who concluded that fees for WRST should be in the range of \$13,312 to \$18,304.

5. Fees paid to other appointees

Currently, the Council approved remuneration for the external appointees of the Wellington Regional Strategy Committee and the directors of Regional EDA Ltd are as follows:

Chair	\$20,000
External Committee Member/Director	\$15,000

6. Discussion

The trustees of WRST are responsible for the operations of Westpac Stadium. It has assets of \$106 million and achieves a surplus of around \$2 million per annum. The surplus enables WRST to meet its obligations to its bankers in respect of its bank funding.

In respect of WRC Holdings Group, directors are responsible for assets in excess of \$300 million, which is expected to grow as the investment in rail rolling stock increases and CentrePort expands its commercial property portfolio.

Compared to commercial companies, fees of \$15,000 are low. However, the fees are lower, reflecting a level of public good.

Increasing the fees to \$15,000 is appropriate and in line with both the Institute of Directors and the level of fees for REDA and the WRS committee.

7. Communication

In respect of WRST, a letter signed by both Greater Wellington Regional Council and Wellington City Council will be sent to WRST.

No other communications are necessary.

8. Recommendations

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Approves an increase in the fees for the external directors of the WRC Holdings Group of Companies from \$12,500 to \$15,000.*
4. *Approves an increase in the fees for WRST Trustees from \$12,000 to \$15,000 and for the Chair of WRST from \$24,000 to \$30,000.*

Report prepared by:

Report approved by:

Mike Timmer
Treasurer

Barry Turfrey
Chief Financial Officer