

Notice is given that an ordinary meeting of the Joint Shareholders Committee will be held on:

Date: **Wednesday 20 August 2025**
Time: **9.30am**
Meeting Room: **Tasman Council Chamber**
Venue: **189 Queen Street, Richmond**
Zoom conference link: <https://us02web.zoom.us/j/82043400663?>
Meeting ID: 820 4340 0663
Meeting Passcode: 356841

Joint Shareholders Committee

Komiti Joint Shareholders

AGENDA

MEMBERSHIP

Council	Tasman District Council	Nelson City Council
Members	Mayor T King (Chair)	Mayor N Smith
	Deputy Mayor S Bryant	Deputy R Mayor O'Neill-Stevens
	Cr B Dowler	Cr M Benge
	Cr C Hill	Cr M Courtney
	Cr C Mackenzie	Cr K Paki Paki
	Cr K Maling	Cr R Sanson

(Quorum 6 members)

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AGENDA

1 OPENING, WELCOME, KARAKIA

2 APOLOGIES AND LEAVE OF ABSENCE

Recommendation

That apologies be accepted.

3 PUBLIC FORUM

Nil

4 DECLARATIONS OF INTEREST

5 LATE ITEMS

6 CONFIRMATION OF [MINUTES](#)

That the minutes of the Joint Shareholders Committee meeting held on Tuesday, 8 April 2025, be confirmed as a true and correct record of the meeting.

That the confidential minutes of the Joint Shareholders Committee meeting held on Tuesday, 8 April 2025, be confirmed as a true and correct record of the meeting.

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7 REPORTS

7.1 INFRASTRUCTURE HOLDINGS LIMITED - DIRECTOR REMUNERATION REVIEW

Report To:	Joint Shareholders Committee
Meeting Date:	20 August 2025
Report Author:	Mike Drummond, Chief Financial Officer
Report Authorisers:	Leonie Rae, Chief Executive Officer
Report Number:	RJSC25-08-1

1. Purpose of Report

- 1.1 To approve an interim increase in the director remuneration for Infrastructure Holdings Limited (IHL).

2. Report Summary

- 2.1 The directors' remuneration for Infrastructure Holdings Limited (IHL) was last considered at the 20 August 2024 Joint Shareholders Committee (Report RJSC24-08-3). At that meeting, IHL directors' fees were increased by 4.7% per annum to take effect from the 2024 Infrastructure Holdings Limited Annual General Meeting. That movement was based on the annual CPI movement as of December 2023.
- 2.2 That JSC meeting also resolved that it "*notes a full review of Infrastructure Holdings Limited Directors' fees will be undertaken following the Infrastructure Holdings Limited Board review and on the appointment of the permanent Infrastructure Holdings Limited Directors; and*" That board review has not been completed yet and the board structure matter has now been deferred for consideration by the Joint Committee of Nelson City Council and Tasman District Council after the 2025 local body elections.
- 2.3 Given the delay in completing the IHL board structure review and the resultant independent review of the board directors' fees, it is considered appropriate that the current directors' fees be increased as an interim measure by the annual movement in the CPI for December 2024; being 2.2% per annum.

3. Recommendation

That the Joint Shareholders Committee

1. **receives the Infrastructure Holdings Limited - Director Remuneration Review report, RJSC25-08-1; and**
2. **approves an increase in Infrastructure Holdings Limited Directors' fees of 2.2% to \$12,840 per annum each for Director, and \$48,152 per annum for the Chair, to take effect from the 2024 Infrastructure Holdings Limited Annual General Meeting; and**

3. notes a full review of Infrastructure Holdings Limited Directors' fees will be undertaken following the Infrastructure Holdings Limited Board review and on the appointment of the permanent Infrastructure Holdings Limited Directors; and
4. agrees that the decisions will be communicated to the Chair of the Infrastructure Holdings Limited Board following this meeting.

4. Background and Discussion

Annual Increment to IHL Directors' Fees

- 4.1 Current fees have been in place since the 2024 Company Annual General Meeting. These were a CPI movement on the fees set on the establishment of the company.
- 4.2 The current procedure (**Attachment 1**) for jointly setting remuneration for Directors of Council Control Trading Organisations was approved in April 2021, so does not specifically refer to IHL, but there is no reason that the same processes should not apply pending a policy update.
- 4.3 The Policy on the Appointment and Remuneration of Jointly Appointed Independent Members on Committees (**Attachment 2**) provides for setting remuneration in advance of the first year of the Long-Term Plan with CPI movement in the intervening years. With the delay in setting the size and composition of the board, this has not occurred.
- 4.4 The baseline Director fees for IHL assumed a very light touch board with a narrow focus. Previously the Board Chair Ms Sheldon has noted that, in her view, it is out of line with market norms in that the directors are paid only 25% of the Chair fee.
- 4.5 As the transition board moves to a permanent board structure and as the Chair can better assess board workload and responsibilities, this recommended increase should be considered as an interim measure only, pending a wider review of the board structure and remuneration in 2026.
- 4.6 Staff recommend that the Joint Shareholders Committee approve an incremental increase in line with the procedure, paragraph 3.8, based on the annual CPI movement as at December 2024 of 2.2%. The relevant increases in Director fees are as follows:

Directors	Current Fee \$12,564 per annum	Proposed Fee \$12,840 per annum
Chair	Current Fee \$47,115 per annum	Proposed Fee \$48,152 per annum
- 4.7 The overall additional cost is \$1,313 per annum. Directors' fees for IHL are met from company income.

5. Options

5.1 Director Fee increases

Option 1: Increase Directors' Fees by CPI (\$2.2%)	
Advantages	<ul style="list-style-type: none"> A modest increase in fees as an interim measure should help the company retain skilled and experienced directors, which is a pre-requisite for strong leadership and strategic planning.

	<ul style="list-style-type: none"> • This is a modest increase given the relatively low fees and can be seen as a holding position pending a wider review for the permanent board. • This partly addresses the concerns raised by the Chair in the past over the level of director fees. • This approach is supported by the policy position.
Risks and Disadvantages	<ul style="list-style-type: none"> • The community may not fully support increases in directors' fees in the current economic climate. This means the move could attract unwarranted negative attention and criticism. • A failure to make this modest increase will likely negatively impact on the willingness of directors to continue to serve on the Board.
Option 2: Decline the increase in Directors' Fees	
Advantages	<ul style="list-style-type: none"> • Minor savings in company costs. • The move could attract positive attention and support by segments of the community.
Risks and Disadvantages	<ul style="list-style-type: none"> • The signalling to the Board and directors that their skills and contribution are not valued. • A failure to make this modest increase will likely negatively impact on the willingness of directors to continue to serve on the Board.

6. Important considerations for decision-making

6.1 Fit with Purpose of Local Government

Providing skilled governance structures and appropriately remunerated board members supports the performance of the councils' Council Controlled Trading

Organisations which delivers strategic infrastructure and supports the economic wellbeing of the community.

6.2 Consistency with Community Outcomes and Council Policy

The recommendation supports the Community Outcome that “our infrastructure is efficient, cost-effective and meets current and future needs” by providing for appropriate governance.

6.3 Risk

This is a routine decision the risks are set out in the options section. There is a low risk to the councils in accepting the proposed directors’ fees.

There is a risk that the small movement in the directors’ remuneration combined with the delay in confirming the final structure and role of the permanent board may result in board recruitment /retention issues.

6.4 Financial impact

The decision on directors’ fees will have no material impact on dividend streams to the two councils from IHL. The decision has no budgetary impact.

6.5 Degree of significance and level of engagement

This matter is of low significance because this is a routine decision covered by an existing policy framework and has nominal financial implications for the councils. Therefore, no engagement/feedback/or consultation needs to occur on this matter prior to a decision.

6.6 Climate Impact

The decision has no climate change implications, so climate impact is not a matter for consideration when making this decision.

6.7 Inclusion of Māori in the decision-making process

This is a routing matter covered by existing council policy and previous decisions. No engagement with Māori has been undertaken in preparing this report.

6.8 Legal context

- *The joint committee has power to make this decision. The joint shareholders committee’s decision must be made in accordance with Part 6 of the Local Government Act 2002.*
- *The Local Government Act 2002 does not **explicitly** detail remuneration levels or structures for directors. Instead, remuneration is typically governed by:*
 - *The organisation’s statement of intent.*
 - *Broader governance frameworks and policies set by the local authority.*

6.9 Delegations

The Joint Shareholders Committee has the following delegations to consider the draft Statement of Intent:

Areas of Responsibility:

- *All matters relating to jointly owned Council Controlled Organisations and Council Controlled Trading Organisations, including statements of intent, statements of corporate intent, half yearly reports, and the appointment of directors and setting of director fees.*



Powers to Decide:

- *All matters relating to jointly owned Council Controlled Organisations and Council Controlled Trading organisations, including statements of intent, statements of corporate intent, half yearly reports, and the appointment of directors and setting of director fees.*

7. Conclusion and Next Steps

- 7.1 The request for a modest CPI based increase in directors' fees is supported by staff and recommended for approval.
- 7.2 The IHL Board Chair will be advised of the decisions in this report.

8. Attachments

- | | | |
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| 2.  | Policy on the Appointment and Remuneration of Jointly Appointed Independent Members | 11 |



Procedure for jointly setting remuneration for Directors of Council Controlled Trading Organisation

ORGANISATIONAL POLICY

Contacts	Nikki Harrison, Group Manager Corporate Services, Nelson City Council Mike Drummond, Corporate and Governance Services Manager, Tasman District Council
Approved by	Joint Shareholders Committee Nelson City Council / Tasman District Council JSC21-04-2
Date	April 2021
Review	April 2024
Reference number	NCC - TDC - CS50

1. Introduction

- 1.1 Nelson City Council and Tasman District Council jointly control or have significant shareholdings in a Council Controlled Trading Organisation, Nelson Airport Limited and in Port Nelson Limited, a port company registered in accordance with the Port Companies Act 1988. These are independent organisations, whose operations are governed by a Board of Directors.

2. Purpose

- 2.1 This Policy sets out the agreed process for setting the remuneration pool for Directors of Governing Boards of Council Controlled Trading Organisations where Nelson City Council and Tasman District Council share control.

3. Process for setting of remuneration of Directors

- 3.1. This process is intended to provide a consistent approach to the manner and level of remuneration set, having regard to the need to attract suitable qualified directors along with the public service component of the roles.
- 3.2. The remuneration will normally be set for a three year period aligning with the Long Term Plan cycle.
- 3.3. In setting remuneration for the first year of the Long Term Plan, the Joint Shareholders Committee will purchase the Strategic Pay New Zealand Directors Fees Report (or a similar market guide) within two years of the LTP it will apply from i.e. July 2020 or July 2021 for the Long Term Plan 2022-32.
- 3.4. Officers will analyse this data together with the previous year's result and average the two years result. This approach reflects the relative small sample size in New Zealand

and the ability for respondent's movement in and out of the survey to have a significant impact on the results.

- 3.5. The data used for benchmarking will be representative of the type of organisation (local government) and other relevant factors including but not limited to, annual turnover, assets, shareholder funds and number of employees.
- 3.6. The number of respondents (sample size) for each factor will be used to weight the relativity of the measure i.e. if there are only 2 respondents with an annual turnover of less than \$5m but 20 respondents with assets of \$5.1m to \$10m the assets result gets a much higher weighting than annual turnover.
- 3.7. The Joint Shareholders Committee, in approving the remuneration pool, will base their recommendation between the lower and median quartile of the previous two years survey results.
- 3.8. In the intervening two years before the next Long Term Plan, the remuneration pool may be adjusted by annual consumer price index (CPI) movement at the previous December i.e. December 2020 annual CPI is used in setting the increase in the remuneration pool for the financial year from 1 July 2021.

4. Remuneration of Directors

- 4.1. Directors shall receive fees in accordance with scales approved by the Joint Shareholders Committee.

5. Variation of Procedure

- 5.1. The procedures outlined in this policy may be varied to meet the requirements of the Organisation's rules, constitution, trust deed or other guiding document, provided that such variation meets the requirements of the Local Government Act 2002.
- 5.2. The procedures outlined in this policy may be varied in exceptional circumstances provided such variation is approved by both Nelson City Council and Tasman District Council.

Policy on the Appointment and Remuneration of Jointly-Appointed Independent Members on Committees

Joint Policy of Nelson City Council/Tasman District Council

Contact Mike Drummond, Corporate Services Manager, Tasman District Council
Nikki Harrison, Group Manager Corporate Services Nelson City Council

Approved by Tasman District Council
Nelson City Council

Date November 2018
Review November 2021

1. Introduction

- 1.1. Nelson City Council and Tasman District Council jointly appoint independent members to a number of joint committees.

2. Purpose

- 2.1 This Policy sets out the process for selection, appointment and remuneration of jointly-appointed independent members on joint committees.

3. Criteria for Selection of Independent Members

- 3.1. All appointees must have, in the opinion of the councils, the skills, knowledge or experience to:
- guide the committee, given the nature and scope of its activities; and
 - contribute to the achievement of the objectives of the committee.
- 3.2 The following qualities and skills of candidates must also be considered
- Effective communication and facilitation skills;
 - Strong leadership qualities;
 - Objectivity in decision making;
 - Respect for colleagues and staff;
 - Ability to get on with a range of people;
 - High ethical standards;
 - Positive attitude to public ownership and the principles of good corporate citizenship;
 - Financial acumen;
 - Commitment to regional needs and priorities;
 - Experience chairing committees, boards or trusts;
 - An understanding of local government processes;

- Any other special considerations/requirements in respect of the specific committee.

3.3 In addition to the qualities and skills outlined in paragraph 3.2 above, in respect of commercial committees (eg. Nelson Regional Sewage Business Unit and Nelson Tasman Regional Landfill Business Unit), the following qualities and skills of candidates must be considered:

- Ability to think commercially and financially about strategies, projects and the intelligent deployment of resources;
- Commitment to, and understanding of, the responsibilities of directorships;
- Relevant business experience and/or the ability to gain an in-depth understanding of the committee and its activities;
- Proven commercial experience;

3.4 In addition to the qualities and skills outlined in paragraph 3.2 above, in respect of the Saxton Field Committee, it is important that the independent member has an understanding of local government processes, as well as skills in one or more of the following areas:

- Recreation planning;
- Sport and recreation management marketing;
- Communications;
- Event management.

4. Process for Appointment of Independent Members

4.1. The Chief Executives of the councils (or their delegates) and the Mayors (or their delegates) will:

- meet with the Chairperson of the relevant committee (or another representative of the committee in circumstances where the independent member will be the Chairperson) to discuss specific requirements (including whether the appointment is necessary) and to consider whether there is any need for any variation of procedure, under Section 8 of this policy; and
- If the vacancy is on a commercial committee, retain a recruitment consultant to advertise the vacancy and develop a list of candidates; and
- If the vacancy is on a non-commercial committee, arrange for the vacancy to be advertised and a list of candidates to be prepared; and
- Decide on the composition of the interview panel, to include the relevant committee Chairperson. In circumstances where the independent member will be the Chairperson, the panel will not include the Chair.

- 4.2. The Chief Executive of either of the councils (or their delegates) may include on the list of candidates any persons recommended by the councils.
- 4.3. For a commercial committees, the recruitment consultant shall, in consultation with the interview panel, prepare a short list of candidates, assist with any interview process and carry out reference checks of persons on the list of candidates, having regard to the criteria listed in Section 3 above.
- 4.4. For non-commercial committees (e.g. Saxton Field Committee), the Chief Executives of the councils (or their delegates) shall in consultation with the interview panel, prepare a short list of candidates, assist with any interview process and carry out reference checks of persons on the list of candidates, having regard to the criteria listed in Section 3 above.
- 4.5. The interview panel will conduct interviews with the short listed candidates and recommend a preferred candidate (or in the case of multiple vacancies, candidates) to the councils through the Chief Executives.
- 4.6. The councils will individually make the final decision to appoint the independent member, on the recommendation of the interview panel.

5. Term of appointment

- 5.1. The term of the appointment will be as per the terms of reference/memorandum of understanding of the relevant committee.
- 5.2. In circumstances where the term of appointment is not specified in the terms of reference or memorandum of understanding of the committee, the term of appointment will be specified in the resolution to appoint the independent member.

6. Reappointment of Independent Members

- 6.1. Independent members may not be reappointed for a fifth consecutive term unless there are special circumstances.
- 6.2. Subject to the terms of reference / memorandum of understanding of the committee concerned, where an independent member's term of appointment is about to expire and the independent member is offering themselves for reappointment, the Chief Executives of the councils (or their delegate) and the Mayors -
 - 6.2.1. May make confidential enquiries to the Chairperson and/or other members of the committee as appropriate, including:
 - Whether the skills of the incumbent add value to the work of the committee;
 - Whether there are other skills which the committee needs;

- Whether the committee’s ability to pursue a desired vision and long term strategy would be compromised by the appointment of a new independent member;
 - Whether there is a need for new skills and ideas on the committee; and
 - Whether an appointment is necessary.
- 6.2.2. Must consider any information obtained and form a view on the appropriateness of reappointment or making a replacement appointment; and
- 6.2.3. Must recommend to each council whether reappointment is appropriate.
- 6.3. If reappointment is not appropriate, the appointment process outlined in Section 3 and 4 will be followed.

7. Remuneration

- 7.1. The process for calculating the remuneration for directors of Council Controlled Trading Organisations, which is based on the Strategic Pay New Zealand Directors’ fees data, is applied to calculating the remuneration for independent members of commercial committees. Adjustments will be made for the varying workloads, risk and responsibilities associated with the role.
- 7.2. The formula is outlined in the joint Nelson City and Tasman District Council procedure “*Jointly Setting Remuneration for Directors of Council Controlled Trading Organisation*”, which is focused on recruiting professional directors, and is as follows:
 - 7.2.1. Remuneration is based on the previous two years’ data from the Strategic Pay New Zealand Directors’ fees report for the appropriate organisation type.
 - 7.2.2. Other relevant factors from the surveys, such as annual turnover, assets, number of respondents and number of employees are also taken into consideration.
 - 7.2.3. An average for the two years’ results is taken, with recommended remuneration per annum set between the lower and median quartile results.
 - 7.2.4. Remuneration is normally set for a three year period aligning with the Long Term Plan cycle.
- 7.3. Based on the above, the remuneration range for independent members of commercial committees would be between \$6,692 and \$10,420 per annum, as a starting range, as at the time of this Policy being written.
- 7.4. The remuneration range for independent members of non-commercial committees, would be set at half of the above-mentioned range, (\$3,350

- \$5,200 per annum) as a starting range, as at the time of this Policy being written

- 7.5. A review of these indicative ranges will be made when the Policy is next reviewed.
- 7.6. Consideration of additional factors, such as the skills required to carry out the role, the ability to attract the necessary expertise, whether the independent member will be acting as chair of the committee and the public good aspect of the role, allow for some flexibility around the actual fees paid.

8. Variation of Procedure

- 8.1. Each council may decide, by agreed resolution, to vary the procedures outlined in this policy as necessary, provided that such variation meets the requirements of the Local Government Act 2002 and provides an objective and transparent process for the appointment of an independent member.

8 CONFIDENTIAL SESSION

8.1 Procedural motion to exclude the public

The following motion is submitted for consideration:

That the public be excluded from the following part(s) of the proceedings of this meeting. The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

8.2 Infrastructure Holdings Limited Update

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

8.3 Infrastructure Holdings Limited - Final Statement of Intent - 1 July 2025 to 30 June 2028

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

8.4 Tasman Bays Heritage Trust - Remuneration and Appointments

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason

		for withholding exists under section 7.
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