

NEWS RELEASE

CCHL Directors' Fees

An independent audit of directors' remuneration of Christchurch City Holdings Ltd (CCHL) has recommended raising the fees to a more market-related level, but they are still at the low end of the market, according to CCHL director and Deloitte managing partner Bruce Irvine.

"Even with the recommended increase, CCHL's remuneration of its directors is still quite low compared to the private sector," Bruce Irvine said.

"I think the level recommended is realistic for a public sector company charged with a high level of responsibility," he said.

"It's important to set realistic fee levels so that we can attract quality people to be on the board, and it's also important to ensure that the directors are appropriately paid for the workload and responsibility they take on."

For CCHL, that involved the governance of a company with an annual turnover of \$387 million and overseeing six local key infrastructure companies with combined assets of over \$1.2 billion.

CCHL CEO Bob Lineham, said that the Auckland office of Sheffield Consulting, which was experienced in assessing directors' fees, had recommended the fees be set in the lower range of market rates for the infrastructure sector, but this would still mean doubling the fees for councillor directors and a small rise for external directors.

CCHL is asking the Council to accept Sheffield's recommendation that both external and councillor directors' fees be raised to \$28,500 (currently \$22,500 for external directors and \$14,000 for Councillor directors) and the chairperson's fees be raised to \$52,500 (currently \$28,000).

The Council will consider this issue following receipt of advice from the Office of the Auditor General on which Councillors will be able to vote on the issue.

From next month there will be four external directors (including the chairperson) and four councillor directors. Previously there were nine directors.

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