

BOARD REMUNERATION AND DEVELOPMENT POLICY

v2 October 2023



PNZ recognises the value and commitment Board Members make to the organisation. While the position is voluntary, remuneration is based on the respective workload and time commitment for each position and bound by the principle of Board members not incurring personal costs to provide governance to PNZ. An example of a personal cost is where a Board member is required to take annual leave or foregoing chargeable hours to attend a meeting.

THE PURPOSE OF THIS POLICY IS TO:

Outline the criteria and level of financial support PNZ will provide to PNZ Board Members for:

1. Board Remuneration; and
2. Professional Development.

1. BOARD REMUNERATION:

The Board Remuneration fees (gross pre-tax*) listed below, are based upon the following principles:

- Eligibility criteria is met (see explanation below);
- Acceptance of fee payments will be treated as voluntary;
- If a Board member chooses not to drawdown on the honorarium, the fee will remain in the PNZ consolidated fund;
- Fees will be paid quarterly**;
- Fees will be reviewed on a 3-yearly basis; and
- The PNZ Annual Budget will include the Board Remuneration allocation.

* According to IRD, whether a fee is called a payment or an 'honorarium', it is taxable. The only exception is where there is a reimbursement of expenses which are tax exempt. PNZ will be required to apply a 0.33% withholding tax on payments, except for self-employed Board members. GST is not chargeable on the remuneration.

** A quarterly payment schedule is based on the following two points:

1. The financial cashflow implications of the full fee for both Board Members and PNZ if paid at the end of the financial year; and
2. Ease of tracking changes in Committee responsibilities. If a Board member resigns from the PNZ Board, any Board or Committee fees outstanding will be paid on a pro-rata basis.

Eligibility criteria:

1. Only current PNZ Board members are eligible for the Board fee.
2. If a Board member misses 2 consecutive meetings, their Board or Committee fee may be reduced on a pro-rata basis.
3. If a Board member resigns from the PNZ Board, any Board or Committee fees outstanding will be paid on a pro-rata basis.

The PNZ Committees for which remuneration fees applies are:

- Governance.
- Audit and Risk Management.
- People and Performance.
- Strategy Working Group.

2. PROFESSIONAL DEVELOPMENT:

In 2021, the PNZ Board approved the funding of professional development of Board Members to assist Board members in improving their knowledge, skills and experience in governance and Para sport to support PNZ. An annual allocation is available for each Board member to use for professional development of their choice. The fund can be used to support the costs associated with professional development, including but not limited to registration fees, and course/conference attendance costs.

- Board members will be eligible to drawdown on this fund after 12 months of being elected or appointed to the PNZ Board. Co-opted members are ineligible.
- Requests for the use of the Professional Development fund will be approved by the PNZ Governance Committee.
- The fee can be used within the financial year or accumulated for future use to cover more expensive opportunities.
- The Professional Development Fee is payable during the term of the Board Member.
- If a Board member chooses not to drawdown on the professional development fund, upon their final Board term ending, their allocation will remain in the combined Board Development Fund for Whole of Board/SLT Development.
- The PNZ Annual Budget will include the Board Professional Development fund allocation.

3. BOARD REMUNERATION FEES AND PROFESSIONAL DEVELOPMENT ALLOCATION:

The inaugural fees are based on the Strategic Pay 2022 survey Sport and Recreation sector results. The following fees are identified as the annual budget allocation:

	\$ Per Member
Chair	35,000***
Board Member	5,000
Committee Chair	3,500
Committee Member	1,500
Professional Development	1,000

*** Current fee payable is \$30,000 as previously agreed by PNZ Board based upon 48 days. Any additional days will be \$500/day up to a maximum \$35,000k gross per year if requested. Effective from 1 May 2022.

KEY RELEVANT LEGISLATION:

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KEY RELEVANT PNZ DOCUMENTS WHICH RELATE TO THIS POLICY:

- Annual Budget
- Board Charter and Governance Manual
- Finance Policy
- Finance Manual

VERSION CONTROL:

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