

# FIDIO

Forum for Independent Directors and Officers of Indigenous Organisations

## ROUNDTABLE ON REMUNERATION

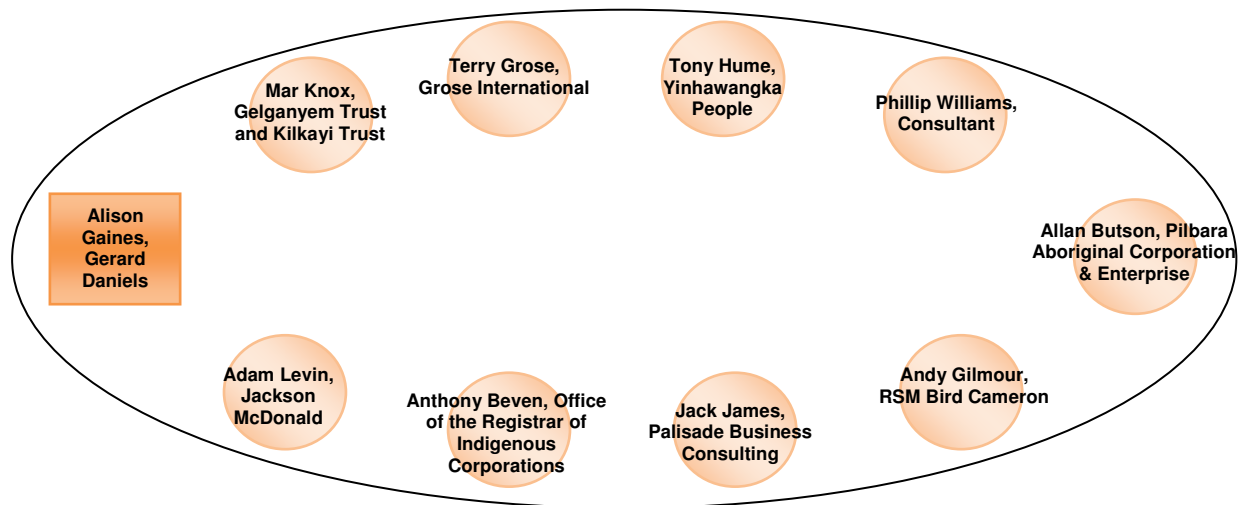


### What is a Roundtable Event?

FIDIO Roundtable events allow small special interest groups of FIDIO members to exchange ideas and discuss issues. The outcomes of these events are shared with the wider membership as the "Top Ten Tips" distributed through FIDIO newsletters.

Our **Roundtable on Remuneration** was held on **2 May 2013** at Gerard Daniels' Boardroom in Perth. FIDIO is pleased to share the outcomes from the event with you.

### FIDIO would like to thank the attendees of the Roundtable on Remuneration



and



GERARD DANIELS  
for sponsoring the event

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## 10 Tips for Setting Director Remuneration for an Indigenous Corporation or Trust

1. When setting remuneration ensure the overall director remuneration pool is reasonable for the size of the organisation's budget.
2. Try to benchmark director's fees with other similar sized organisations, within the same sector and operating under a similar structure (e.g. compare small corporations with small corporations, large trusts with large trusts). Annual Reports can be useful for comparing remuneration levels. ORIC's [Remuneration Report](#) also provides guidance.
3. Make a deliberate, well-reasoned and documented decision regarding remuneration levels for independent directors and member directors (if they are the same explain why, if they are different explain why). Consider closing the gap on remuneration levels for independent directors and member directors. This acknowledges the value of member directors' cultural expertise and the significant time they invest in community engagement and relationship management (i.e. dispute resolution).
4. Make a deliberate, well-reasoned and documented decision regarding remuneration levels for chairman and committee chairs (if they are paid more than other directors explain why, if they are paid the same explain why).
5. Give thought to the remuneration of directors who take on quasi-executive/management roles during critical times in the organisation's evolution. Registered Indigenous organisations should refer to their Rule Book for guidance on engaging and paying directors for such work. Ensure you balance procurement process and fair pay principles and meet ORIC's reporting requirements.
6. Decide how fees are paid. Are they an annual fee paid quarterly or sitting fees paid in arrears for turning up, or a mix of both? Some organisations have reported efficiencies in setting an annual fee, given the contingencies that can arise in relation to meetings.
7. Have in place director role descriptions to hold directors accountable for their participation and professional development.
8. Conduct annual reviews of director performance including attendance, contribution to board decision-making, contribution to board dynamic and ongoing professional development.
9. Put aside a reasonable travel budget for director attendance at meetings and professional development programs.
10. Publish the director fees and overall director fee pool in annual reports to members.