



<b>Report Title:</b>	<b>Cabinet Fees Framework – TAB NZ Board Fee Increase Request</b>		
<b>Report No:</b>	<b>MoSR 2025-0409</b>		
<b>Date:</b>	<b>13 May 2025</b>		
<b>To:</b>	<b>Hon Judith Collins KC, Minister for the Public Service</b>		
<b>Action Sought:</b>	<b>Approve and sign</b> the attached letter to the Minister for Racing.	<b>Due Date</b>	<b>27 May 2025</b>
<b>Contact:</b>	<b>Robert Anderson, Manager, Public Sector Performance,</b> <span style="background-color: #cccccc;">9(2)(a) privacy</span>		
<b>Encl:</b>	Yes	<b>Priority:</b>	Medium
<b>Security Level:</b>	<b>IN CONFIDENCE</b>		

### **Executive Summary**

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1. The Minister for Racing, Rt Hon Winston Peters (the Minister), is seeking your approval to increase the fees for the TAB NZ Board members by ten percent.
2. The Board fees were set in 2021 at the maximum levels under the previous Cabinet Fees Framework (the Framework) [CO (19) 1]. The Framework was reviewed in 2022 [CO (22) 2], where the fee ranges were increased but the fees for the TAB NZ Board remained the same.
3. There are currently six members on the Board including a Chairperson. The Minister has provided the following rationale for a fee increase:
  - 3.1 the complexity of the functions and the expertise required to fill the roles is fairly high for TAB NZ
  - 3.2 there are significant issues with recruitment and retention when considering appointments
  - 3.3 the potential reputational risk that comes with appointments are fairly high
  - 3.4 there is significant public and media interest about TAB NZ.
4. The Minister's proposal of a ten percent increase to the current fees is within the applicable fee range in the Framework for Group 3a, Level 2.
5. The requested increase is within your delegated authority for approval (up to 10 percent), and the proposed fees are within the relevant range in the Framework.
6. The Public Service Commission does not see any significant risks with the Minister's proposal. A strong case has been made, showing the need to attract and retain a high level of expertise and experience with appointments.

**IN CONFIDENCE**

## **Recommended Action**

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7. We recommend that you:
- a **agree** to the Minister for Racing's proposal to increase the TAB NZ Board member fees by ten percent  
*Agree/disagree*
  - b **sign** the attached letter to the Minister for Racing with your decision  
*Agree/disagree*
  - c **agree** that the Public Service Commission release this briefing in full once the Minister for Racing has confirmed his decision to the TAB Board.  
*Agree/disagree*

Hon Judith Collins KC  
**Minister for the Public Service**

***IN CONFIDENCE***

## Purpose of Report

8. The Minister for Racing, Rt Hon Winston Peters (the Minister), seeks your approval to increase the fees for the TAB NZ Board members by ten percent.

## Context:

9. The Cabinet Fees Framework (the Framework) makes provision for an increase up to ten percent and within the applicable fee range to be approved by the Minister for the Public Service.
10. The TAB NZ Board (the Board) members fees were set in 2021, under a previous version of the Cabinet Fees Framework [CO (19) 1]. At that time, the Board was classified as a Group 3a, Level 2 body, and fees were set at the top of the applicable range due to the commercial nature of TAB NZ's business.
11. In 2022, the Framework was revised [CO (22) 2] and the fee ranges were adjusted by ten percent but the fees for the Board was not reviewed or increased.
12. Department of Internal Affairs have advised that the classification under the Framework for the Board remains at Group 3a, Level 2, but the member fees need to be increased towards the top of the range of the Framework. They have advised that a ten percent increase will align the fees to the skills and expertise needed to attract candidates.
13. Table One below provides the current and proposed annual fee for the Board members.

*Table One: TAB NZ Board Fees – current and proposed fees*

Board	Current fee	Proposed Percentage increase	Proposed annual fee	Cabinet Fees Framework Range
TAB NZ Board Chair	\$66,683	10%	\$73,351	\$34,623 - \$73,552 Group 3a Level 2
TAB NZ Board Deputy Chair	\$41,787.50	10%	\$45,966	\$17,309 - \$36,773 (25% above member rate) Group 3a Level 2
TAB Board members	\$33,430	10%	\$36,773	\$17,309 - \$36,773 Group 3a Level 2

14. The Minister advises that the proposed fees will:
- 14.1 assist with attracting suitable candidates as the complexity of the functions and the expertise required to fill the roles on the Board is fairly high

- 14.2 assist with recruitment due to the commercial nature of TAB NZ's business
  - 14.3 provide level of comfort due to potential reputational risk for Board members with respect to concerns around problem gambling, animal welfare and the level of media attention the activities of the Board.
- 15. As the Minister for the Public Service, the proposed increase is within your delegated authority under the Framework, for approval (up to 10 percent) with the proposed fees remaining within the relevant fee range in the Framework.
  - 16. The Public Service Commission's view is that the proposed fee increases should be approved by you.

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**Risks**

- 17. The Public Service Commission does not see any significant risks with the Minister's proposal. A strong case has been made, showing the need to attract and retain a high level of expertise and experience with appointments.

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**Financial Implications**

- 18. The Minister advises that there are no financial implications for the Crown as the Board is remunerated out of TAB NZ's operating budget.

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**Next Steps**

- 19. A letter to the Minister for Racing, Rt Hon Winston Peters, is attached for your review and signature.