

Group Remuneration Policy

June 2021

Purpose

We want to make Auckland a world-class city and deliver value to all Aucklanders. We need to encourage a high-performance culture to achieve this vision and make the council whānau a great place to work.

We acknowledge that remuneration is only one factor in rewarding and motivating employees. We offer an inclusive and diverse workplace where every employee is encouraged to bring their whole self to work, wellbeing initiatives, flexible working where appropriate and training and development opportunities to progress their careers.

We aim to acknowledge employees exhibiting our core behaviours and values, and contributions to achieving our strategy.

The Group Remuneration Policy sets the framework for making decisions that relate to employee remuneration.

Scope

This policy applies to the council whānau, at Auckland Council, Auckland Transport, Auckland Unlimited, Eke Panuku Development and Watercare.

Principles

These remuneration principles ensure our approach to remuneration, reward and recognition initiatives reflect:

1. Fairness

We ensure the methodologies we use are fair and enable a diverse and inclusive workforce to deliver to the best of their capabilities. Policies and practices must be based on best practice approaches to remuneration, using well proven methodologies and independent advice.

2. Financial responsibility

We manage remuneration in a financially responsible and measured way that balances the needs of Auckland and Aucklanders with our need to develop and attract talented individuals who will help deliver our vision.

3. Social equity through a living wage

We acknowledge that how we remunerate our people has an impact on their economic well-being and meaningful increases will be a priority for employees in roles at the lower end of the pay scale. We aim to ensure that our remuneration is aligned to a living wage and helps our people meet the basic necessities of life and participate as active citizens in society. A living wage is calculated and monitored by Auckland Council whānau.

4. Contribution

We review and monitor remuneration levels and validate they are aligned with peoples' contribution to the organisation and in line with the external market.

Job evaluation and banding

We use recognised job evaluation systems which provide a methodology for the alignment of roles and remuneration band setting.

Market positioning and remuneration ranges

The remuneration market position is developed internally, based on the independent market remuneration advice which is received annually.

This positioning takes into account the following:

1. The size and complexity of our operations.
2. The diversity of operations encompassing multiple sectors including competition for specialist skills.
3. The need to balance financial responsibility with the ability to attract and retain quality talent.

Band medians and remuneration ranges are reviewed annually using independent market data. Roles are benchmarked against the General Market median at Fixed Remuneration (excludes bonuses).

Premiums may apply where it is supported by strong evidence through validated market data from our providers.

Setting remuneration on appointment

Remuneration is set using the appropriate internal approval processes and guidelines. The guidelines cover key considerations like internal relativity, the incumbents' skills and experience, and budget availability while making appointments and all offers are subject to appropriate approval processes.

Out-of-cycle remuneration changes

Any out-of-cycle remuneration changes will be subject to appropriate approval processes to ensure internal equity.

Our commitment to Diversity and Inclusion

We are committed to setting fair and equitable salaries and also regularly monitoring and addressing any identified inequities, for e.g. gender and ethnicity pay parity.

Managing remuneration for the Executive Leadership Team

All Executive Leadership Team (direct reports to the Chief Executives) appointments and increases to remuneration follow a standard process which is aligned to the methodology used for all jobs. These jobs are externally evaluated, and market remuneration comparisons are sourced from two external providers. This enables a measure of consistency within the whānau and parity with the external market.

Chief Executive remuneration

Remuneration for Chief Executives is set by the Board of Directors for CCOs or the Governing Body for Auckland Council. The guidance is provided through the statement of expectation.

Roles and Responsibilities

Governing Body / Board of Directors	<ul style="list-style-type: none"> ▪ Approve the remuneration policy as set out in this document ▪ Approve the annual salary budget
Chief Executive	<ul style="list-style-type: none"> ▪ Approve the remuneration operational framework based on the policy
Executive Leadership Team and/or Remuneration/People committees	<ul style="list-style-type: none"> ▪ Authorise any increase or offer in remuneration over the maximum for a range and outside the guidelines ▪ Approve operational policies, banding methodology and delegated authorities for salary adjustments ▪ Approve the final annual salary increase (based on financial and economic advice following consultation with appropriate stakeholders)
General Manager People and Culture / Chief People Officer / Head of People and Culture / EGM Culture and Transformation	<ul style="list-style-type: none"> ▪ Review, consult, and implement associated guidelines, operational policies, and processes (to be approved by the Chief Executive and Executive Leadership Team as appropriate) ▪ Approve any additional processes or policies required to support the implementation of this policy ▪ Monitor the application of this policy and the need for any updates as Policy owners
Chief / Head of Business Unit, Department managers and people leaders with delegated authority	<ul style="list-style-type: none"> ▪ Final approval of any out-of-cycle increases which are within the guidelines ▪ Ensure increases to remuneration are within allocated budgets
People leaders	<ul style="list-style-type: none"> ▪ Recommend any offer or change in remuneration for people within their span of control
People and Culture teams	<ul style="list-style-type: none"> ▪ Provide support and guidance to people leaders with relevant information where necessary
Remuneration Manager / Reward Manager	<ul style="list-style-type: none"> ▪ Provide support and guidance in relation to the interpretation and application of the policy ▪ Ensure remuneration systems are competitive, affordable and aligned with best market practice ▪ Research and design the remuneration ranges per band, based on market remuneration information ▪ Advice on increases above the guidelines ▪ Job evaluation of all roles and associated salary bands ▪ Obtain evaluations for all senior roles/ people team roles from external providers

Related Legislation

- Local Government Act 2002 with amendments
- Employment Relations Act 2000
- Equal Pay Act 1972
- Privacy Act 1993

Version Control

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