



# giving back

## REMUNERATION & PERFORMANCE POLICY



## 1. Purpose

The Trusts aim to create and maintain a working environment and culture that is attractive to high achievers; that supports The Trusts' values (GIVE Marks), and contributes to the achievement of its strategic goals.

A key goal is to be an employer of choice in attracting, motivating and retaining team members. The Trusts recognises that remuneration on its own will not make it an employer of choice.

## 2. Scope

This policy applies to all individuals employed by The Trusts, which includes Portage Licensing Trust, Waitakere Licensing Trusts and West Auckland Trust Services Limited.

## 3. Our Aim

At The Trusts we aim to:

- Align remuneration, recognition and performance systems to The Trusts' Purpose and Values
- To build an organisation of motivated, engaged and productive team members, who in-turn created desired business performance and results
- Have pay and performance systems that enable The Trusts to attract, retain and motivate quality team members. These systems should be:
  - Transparent and understood by all
  - Objective
  - Applied consistently
  - Affordable
- To value and reward team members fairly in relation to:
  - The work they do and their performance in the job (i.e. their contribution)
  - Their knowledge, skills and competencies used on the job
  - Other jobs at The Trusts
  - The market value of their job



## 4. Systems & Process

### *How Roles are Sized*

To identify and maintain internal relativities through job evaluation (job sizing), the Strategic Pay SP5© job sizing system is used as the basis for evaluating all non-executive roles at The Trusts.

Job evaluation is a systematic process for assessing the relative sizes of roles based on job content. The process focuses on the role and not on the person in the role who is assumed to be fully competent in their role. Each role is assessed against the 5 factors as described below:

- **Accountability** – Measures the job's accountability for, and contribution to, the organisation's end results and how they impact on organisational performance.
- **Work Complexity** – Measures the complexity of the problems faces and the requirement to exercise judgement, as well as the availability of guidance and assistance for the implementation of solutions.
- **Responsibility for People** – Measures the leadership, teamwork and coaching skills required to perform the job. This includes the extent of direct responsibility for supervising/manager other team members.
- **Relating to Others** – Measures the range of interpersonal skills required for effective performance in the role, both inside and outside of the organisation
- **Expertise** – Measures the knowledge and expertise required to achieve full competence in the position.

The outcome of job sizing for non-executive roles will be a pay grade/band.

Job sizing and market comparisons (for new jobs or jobs that change significantly) will be undertaken on an on-going basis by The Trusts. Recommendations on job size and market range will be made to the People & Culture Manager for approval.

A review of the job sizing system and internal relativities will be conducted at intervals not exceeding three years.

### *How Roles Are Priced*

To ensure The Trusts' pay grades remain consistent with pay grades in relevant markets, external benchmarking will be carried out annually. The purpose of this is to assess competitiveness with the external market and inform the setting of midpoints for each pay grade. The benchmarking will consider roles of similar size as well as of similar function in the Strategic Pay Database.

Any updated pay grades will apply as part of the wage/salary review round.



### *How Roles are Paid*

Pay will be structured to reflect the principles of fairness and consistency, as well as providing team members with an opportunity to understand and influence their opportunities for pay growth over time based on competence and performance.

The grade/band for each role will be the basis for the remuneration midpoint and range:

<b>Position within Pay Grade</b>	<b>Demonstrated Performance</b>
Maximum – 115%	<b>Exceptional Performance – Trusts’ Role Models</b> Team Members who consistently deliver excellence in performance (results and behaviours)
	<b>Added Value Performance</b> Team members whose performance consistently exceeds requirements (results and behaviours)
Midpoint – 97%-103%	<b>Successful Performance</b> Competent team members who consistently meet requirements (results and behaviours)
Minimum – 90%	<b>Developing</b> Team Members developing in the role and tracking as expected to full competence (results and behaviours)

- The Trusts targets base salary for fully competent performance at the midpoint level of the ‘General Market’. As such Retail and Hospitality pay grades will have a ‘discount’ applied to them that currently ranges from 9-12% below the General Market.
- The lowest pay grade will be adjusted to a figure that is fifty cents per hour above the current legislated minimum wage.
- The Trusts recognise that there may be a need to utilise job-specific data for some roles and industries.
- Team members will be paid based on an hourly rate or annualised salary depending on the role, plus any benefits specified for the individual.
- The Trusts pay grades allow for a minimum appointment level of 90% of the midpoint for that role and increasing to a maximum of 115%. This allows for the reward and recognition of team members as they gain competence and demonstrate performance.



- Market Premiums may be paid for roles that market trends indicate are significantly above the salary range established for a given role. "Significantly above" is defined as a demonstrated need to be appointing and retaining team members on a wage/salary that is above 115% of The Trusts' midpoint. Exceptions require approval of the People and Culture Manager and Chief Executive Officer. Market Premiums are typically applied in the following circumstances:
  - There are documented difficulties in attracting suitably experienced/qualified team members
  - High turnover of experienced team members and salary levels are identified through exit interviews as being a significant contributing factor
  - Information from salary survey providers (Strategic Pay) confirms market disparity between The Trusts' salaries and market rates
- A market premium may be either a rate of pay above the pay grade maximum **or** a 'one-off' amount, paid annually with the need (or otherwise) reviewed from year to year. Any one-off payments will be taxable and paid separately from base salary and other salary related benefits, such as superannuation. Approval for the payment of market premiums is at the sole discretion of the Chief Executive Officer.

### **Performance and the link to Pay**

- Team members' performance is reviewed quarterly using The Trusts' Achievement Review system. The system evaluates team members' performance against Expected Results (i.e. KPIs) and Expected Behaviours i.e. The Trusts Values.
- The end of year Achievement Review will result in a performance rating for each team member. Team members Achievement Review ratings will be entered into the 'RemWise' system - which plots the team member on the 9-Box Matrix detailed below:



Figure 1.1 – The Trusts’ 9-Box Matrix

<b>Expected Results - what I Achieved (50%)</b>	<b>Great</b>	3 <b>Uninterested Achiever</b> Produces great results but their behaviour does not help others to achieve their results.	5 <b>High Achiever</b> Produces excellent results and works well with others to contribute to the overall Trusts objectives.	6 <b>Super Star</b> Trusts Champions who produce excellent results and champions the behaviours that will make The Trusts successful.
	<b>Good</b>	2 <b>Progressing</b> Recent to the role and/or making good progress but some areas of concern with their behaviour.	4 <b>Achieving</b> A good reliable team member who produces the required results and acts in line with The Trusts Values.	5 <b>Emerging Star</b> Produces good reliable results but provides an extra contribution because of the way in which they go about their work.
	<b>Poor</b>	1 <b>Not Achieving</b> Our least valuable team members. Need to improve both attitude and outcomes to remain at The Trusts.	2 <b>Under Achieving</b> Not achieving the required results but behaviours indicate they are committed to The Trust and may benefit from further training/coaching.	3 <b>Potential</b> Needs to develop in the job but displays behaviours that suggest an investment in their development may result in a much better outcome in future
		<b>Poor</b>	<b>Good</b>	<b>Great</b>
		<b>Expected Behaviours - How I Got There (50%)</b>		

- The RemWise System will make a pay recommendation for each team member based on their:
  - Position on the 9-Box Matrix (determined by the annual Achievement Review result)
  - Current position within the pay grade for their role (i.e. 90 – 115%)
- RemWise pay recommendations and the relationship to a team members’ Achievement Review rating and their current Position within a pay grade can be summarised as follows:



Achievement Review Rating	Position in Range Relative to Pay Grade Midpoint			Position within a Pay Grade
	Low in range	Mid range	High In range	
Not acceptable	Poor performers – get nothing			90%
Marginal				95%
Successful	These people are paid correctly – will get \$ increase		These people are paid above their current level of performance – may get small \$ increase	103%
High Performer				110%
Trusts Role Model	These people are currently underpaid relative to their performance – they will get more than others			115%

Pay Guidelines for Managers

- Team member pay will be reviewed annually following the review of grade midpoints (using the most up to date survey data) and on the completion of the annual Achievement Review.
- Managers are required to review the current Pay Grade data for each role, the recommendations made by RemWise and ‘sense check’ it to ensure that team members are rewarded appropriately
- Manager’s pay recommendation will be reviewed and approved by their immediate Manager, and as such, until confirmed in writing, all pay recommendations are not bindings and should not be communicated to team members
- To ensure fairness and consistency across the organisation, The Trusts reserves the right to amend recommendations as necessary
- Salary Review effective dates will be agreed by The Trusts annually