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**ORDINARY MEETING**

**OF**

**WELLINGTON CITY COUNCIL**

**MINUTE ITEM ATTACHMENTS**

**Time:** 5.30pm  
**Date:** Wednesday, 30 September 2015  
**Venue:** Committee Room 1  
Ground Floor, Council Offices  
101 Wakefield Street  
Wellington

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**Business**

**Page No.**

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**1.6.1 Tabled Item A - Mr Russell Taylor's query to Council regarding its remuneration and employment policy**

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| 1. Tabled Item A - Mr Russell Taylor's query to Council | 2 |
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10/10/15 (10/10/15) (A)  
Mr Russell Taylor

Mayor Celia and Deputy Mayor Justin and Councillors and Officers

Thanks for the provision of a brief opportunity to speak at this meeting of the full council.

*Who is WCC, who make the decisions, set the objectives and hold officers to account for the objectives being met ?.*

**Who ?**

I am Russell Taylor long term resident in this city and have been engaged most of my working life in representing workers .Currently I am engaged by the SFWU Since January 2014 I have been engaged to work with Parking officers at WCC and this is approx. 5% of my work allocation .Prior to this 95 to 97 I also represented parking officers when they were last directly employed by WCC and negotiated their CEA.I currently represent 25 members of the union engaged in PBU .

**Why?**

I am here to seek clarification from this full Council about what is WCC duly mandated Remuneration and Employment policy.I gather from examination of policies , refer to the Terms of Reference and delegations policy established Nov 2013 and reviewed in May 2015 where it states "only the full council can set such a policy ".( refer 1.2 (g). I have been advised by officers that policy is under review, that there is no remuneration or employment policy mandated by the full council . We have been privy to a Employment relations strategy that was shared with us in earlier this year and have been advised the staff nett policy on remuneration ( that changed significantly on 27 August ) is what the CEO has put in place in absence of the full council establishing a policy. We have been trying to negotiate with WCC formally since April of this year a collective employment agreement and we have been told essentially there is no room to negotiate and our interpretation of the EER strategy and Remuneration policy is misguided

What we wish to know is

**What is the remuneration Policy of WCC**

**When was it established and how may it be influenced or changed?**

**Is there going to be a review of it at any point?**

## **Background**

The sfwu has been part of the Living Wage movement and know this full council has committed itself to a living wage and extension of that to CCO and contractors case x case.

We have since May 2014 been trying to establish a fair set of terms and conditions for Parking officers and we have had 3 objectives since we commenced

1  
To have paid sick leave from commencement of employment.

2  
An agreed wage or salary scale with clear progression identified and known reward established for known performance individually and collectively

3  
Clear specific hours or work and rostering

Initially we endeavoured to establish a collective employment agreement for all and sought the transfer of the prior contractors staff. That was not agreed to by officers of WCC

The parking officers were engaged on Individual employment agreements with no sick leave until they have been there 6 months, no wages clause, and no set specific hours and rostering arrangement. They had applied commencing rate the \$18.40 (the 2013 Living Wage rate). It appear no job sizing was completed and there was a best guess alignment with the then WCC wage and salary scale. What were they told about wages. Individual letter of appointment refered to a rate of \$18.40 and clause 12 of there IEA said

*12.1 Your remuneration will be reviewed on an annual basis, normally in July each year in accordance with Councils reward strategy and performance management system. This remuneration may not necessarily result in an increase or change in your remuneration or benefits*

*12.2 The review will take account market surveys, performance in role, budget affordability, your development and any increase in duties or responsibilities*

Post the initial few months we endeavoured to have the 2014 living wage applied by adjustment to Individual agreements. This was not agreed with officers of WCC.

In November 2014 we embarked on a joint working party to establish a collective. We could not agree on all terms of the bargaining process agreement and a particular sticking point has been that the WCC want to control and vet our communications with members and also wish to have a cone of confidentiality over the negotiations and in particular that we would not approach councillors, other unions, or the media. We provisionally agreed to meet on that basis up until reference to mediation. We have meet on at least 7 occasion and included in this was mediation and a further mediation is being held this Friday. Some progress has been made but the 3 key issues for us remain unsettled.

We have been told by WCC negotiating team that they are not able to negotiate into a written collective agreement a wage scale and progression. We like all other unions will be invited to participate in an annual remuneration framework presentation that may influence remuneration. This review and application of the performance arrangements will be notified in September and back paid to 1 July of each year. We at mediation have been advised that WCC Policies and can be changed at the WCC prerogative without notice consultation or agreement and that prerogative lies with the CEO.

We wonder how genuine and how this demonstrates good faith that the negotiating team allegedly authorised to negotiate and settle a Collective Agreement cannot include the fundamental provision of a wage clause that sets out a wage scale and progression.

We also are concerned at the misinformation and failure of WCC officer to disclose the information on which they rely that justified their action of not increasing the wages of 23 staff in Parking roles since June 2013 (living wage) rate. The WCC are saying there is no need to increase the minimum commencing rate. We point out as far as we know - turnover is high, demand is high, revenue is better, public perception has improved, role covers wide range of skills, and the group performance high and incumbents of comparable positions appear to be paid more, shift work and penal rates not factored in, let alone consideration of Social wage issues, gainsharing and /or redistribution of wealth. Auckland and Hutt city Parking officers are paid considerable more .i.e Minimum starting rate in Auckland Transport is \$19.85 min start rate with a progression through to \$21.25 . Hutt City it a training rate of \$18.60 with movement to a range from \$20 to 30+ an hour subject to service, skill, experience, performance, specialist duties and recognition of shift and penal rates. Stats NZ indicate that in the occupations and sectors, Parking officer fall, wages have increased by at least 3.2% as of March 2014 and most likely 8% in last 2 years.

Further information can be made available on request. We remain available to work with Councillors and Officers, preferable jointly with other unions, to resolve fair and appropriate employment agreements and remuneration and an employer that promotes collective organisation .

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## Overview

### Remuneration reviews

Remuneration is reviewed annually for salaried employees. Waged employees (those on an hourly rate) are reviewed either annually or at their manager's discretion. If there are remuneration increases, these are backdated to 1 July each year.

Factors that affect remuneration changes include:

- market remuneration movements in the past year
- your performance rating
- your current position in the remuneration range for your role
- reward for high performers
- relativities to others in the business unit
- affordability and budgetary parameters

### Market rates

The Council regularly reviews market remuneration data and surveys. This information advises the Council of the remuneration being paid in the market, for similar jobs, at a given point in time.

### Comparing Council roles with the market

The Council has evaluated and sized all its positions, using a proven job evaluation methodology.

We compare the job size of each position to other job sized positions at the Council and in the local government and public sector markets. Our remuneration ranges are compared with the median of the ranges in the surveys and from these any annual movement in the remuneration ranges is calculated. The Council's current policy is to position our remuneration ranges between the public and local government sector medians.

The median is the statistical term for the middle of the market for a particular job level or grade, ie 50% of jobs are paid more than this value and 50% of jobs are paid less.

### CPI, inflation and general cost of living increases

There is no automatic general adjustment to an individual's remuneration based on the CPI (Consumer Price Index). However, data from market remuneration surveys used by the Council includes factors such as CPI and performance based increases in other organisations.

### Market rate drops

While drops in market rates do occur from time to time, the long-term trend is for market rates to increase. Dips tend to be temporary. If the market rate drops in the short-term, the Council may hold its current remuneration ranges.

### Market movement at the same level across all grades

Market adjustments are sometimes varied - some grades or positions may have a higher increase than others. This is due to the supply and demand of labour and skills shortages, in particular job families or specific roles.

### Difference between salary and total remuneration

Your total remuneration is the sum of your base salary, any allowances, superannuation contributions (not including KiwiSaver), car parks, vehicles, etc.

Your performance should have been tracked throughout the year through the annual My Accountability Plan (MAP) process. At the end of each year your manager will make an assessment of your performance based on their conversations with you and on the degree to which your objectives have been achieved. Once this has taken place, your remuneration will then be reviewed. Your performance rating is considered as part of the remuneration review process.

### **Calculating rewards**

Council uses a "pay for performance matrix" to assist and guide managers in the review of individual remuneration levels each year.

The matrix guides the allocation of a limited budget in a fair and consistent manner across Council, and it aims to reward performance and to support staff to progress through to 100% of their remuneration range over time.

Two factors are taken into account in determining the size of a remuneration increase:

- Your performance rating for the year
- Where your remuneration currently sits in the range for your role

The percentage figures in each box vary from year to year based on the Council's overall performance, the market remuneration movements over the year and affordability and budget parameters. While these factors vary each year, the principles behind the different levels of reward possible within the matrix are consistent, and are shown in the table below:

The matrix recommends the largest increases for those staff whose performance has been assessed as Exceptional, and current remuneration is below 100 percent of the range. There are no rewards for a performance rating of Underachieving.

### **Approval of performance assessments and remuneration recommendations**

For both your performance rating and any remuneration adjustment, your manager makes recommendations to their manager.

Managers from each business unit meet to discuss all performance ratings from within the business unit to ensure consistency and fairness in how the ratings have been allocated. This is the performance moderation step.

If your manager then recommends a remuneration adjustment for you that is within the guidelines and parameters of the review process approved by Executive Leadership team, your manager will approve that recommendation and you will be advised of the outcome. Any recommendations that are outside of the guidelines and parameters are reviewed by an organisational moderation panel. This is the remuneration moderation step.

### **Motor vehicle benefit**

Limited private use of a business required vehicle may be part of your terms and conditions of employment. The value of the benefit to you of this private usage of a council vehicle is calculated and included in your remuneration package. If in the future this situation changed and the private usage of a vehicle was no longer available to you, the value of the benefit would then be added to your salary so that the total value of your remuneration package remained unchanged.

### **WCC Grade Fixed Remuneration Ranges effective 1st July 2014**

With the introduction of the Wellington Wage it was agreed to change the way grades 5 – 9 were reflected against positions. This resulted in some new grades being created they are Band 1 which incorporates any staff who were previously grade 5, 6 and 7 and Band 2 which incorporates staff who were previously grade 8 and 9.

A new training structure was also created for positions that have core competencies and key training attached to them, this affects staff employed in Parks, Sports and Recreation. The ranges are as follows:

### **Training ranges**

**Salaried 2014 / 2015**

## **Council ER Strategy**

### **Principles for a uniform ER strategy include**

- Developing relationships based on common understanding of needs and realities
- Sharing information on organisation plans and business strategies, including remuneration
- Common approach to working with all unions - constructive “working party arrangement”
- Developing a “model CEA” that reflects greater consistency across the Council and Collectives e.g. policies and procedures / guidelines based on Council operational requirements, more common terms and conditions of employment
- Goal of moving towards a single multi-Union Collective (MUCA) to align with long term regionalisation outcomes and service delivery realities

## Auckland Transport

Parking officers have a basic scale they start on and when they get to the top of that scale they receive performance based increases.

The basic scale is below is from the 2013-2015 CEA to give you an idea. However the pay rates in the scale below have increased by about 2% to 3% in over the past two years.

### Parking Officers – Parking Enforcement

	Description	Measure
Level 1 \$41,280 (Step 3 Band D) \$19.85 for 40 hour week	<b>Parking Officer Grade 1</b> 12 months before moving to L2	Training induction course is completed in full On-the-road assessment by buddy trainers is completed in full and officers have passed relevant “pre-live” assessments Officers are coached and audited monthly by their supervisors; all monthly audits are above the minimum acceptance level. Monthly on-road coaching initiatives are adopted and implemented with activity assessed the following month with pass grades.
Level 2 \$43,200 (Step 5 Band D)	<b>Parking Officer Grade 2</b>	Officers moving from the trainee rate shall not be in any form of performance management by their supervisors. If the officer is being performance managed, they are not meeting the criteria and shall not move to competent level. Officers have completed all monthly audits and assessments with grades above the minimum pass rate.
Level 3 \$44,200 (2.3% above Step 5) Band D)	<b>By appointment</b>	Officers will have a minimum of two years’ experience as a competent parking officer. Officers will consistently demonstrate a high calibre of communicative ability both in written and oral. Officers will have audit rates higher than 98%