

# Disciplinary procedure

## Disciplinary procedure

ACC is committed to being a good employer. Where any conduct issues arise, ACC will genuinely consider any explanation provided by the employee and determine the outcome in a fair and reasonable way, in line with our disciplinary policy.

In some circumstances, ACC may determine that further investigation into conduct issues is warranted, before a disciplinary process is undertaken.

Disciplinary action may be taken where, following the completion of a fair process, an ACC employee's substantiated conduct is found to amount to misconduct, serious misconduct or otherwise be a breach of their obligations as an employee.

Every leader has a responsibility to make sure expected conduct standards are clear to employees.

## The process

In addition to any other steps ACC takes, a disciplinary process may include the following steps:

1. Leader becomes aware of a potential conduct issue and determines whether further investigation is required. Leader may seek advice about how to proceed, including from People & Culture.
2. Leader invites employee to a meeting. The nature of the meeting needs to be clearly disclosed to the employee prior to it occurring. The invitation must provide reasonable notice in advance, detail the specific concern (and any information relevant to the concerns), and let the employee know they can bring a support person or representative.
3. The meeting is held and employee is given reasonable opportunity to respond to concerns. Notes will be taken at this meeting and a copy

- provided to the employee.
4. Leader considers the employee's explanation and any other relevant information.
  5. ACC makes a decision and tells employee the outcome.
  6. Leader confirms the outcome in writing and ensures this is noted on the employee's file.

The above steps are a guide and a different process may be adopted provided the process followed is fair and reasonable.

## Suspension

In some circumstances it may be appropriate to propose an employee be suspended from work while an investigation into an allegation of misconduct or serious misconduct is undertaken. Such action does not indicate predetermination or amount to disciplinary action. A leader must always consult People & Culture when suspension is being considered.

Suspension will generally be on pay unless there are circumstances that justify the imposition of unpaid suspension.

Unless the circumstances preclude it, where suspension is contemplated, the individual concerned must be given the opportunity to comment on the proposal, before a decision is made.

## Determining an outcome

The decision-maker will usually be the employee's direct leader or one up leader. When determining an outcome, they will have regard to the relevant information including any reasonable explanation offered by the employee. The employee is entitled to all the relevant information considered by the decision maker in determining an outcome.

## Possible outcomes include:

- no further action

- a letter of expectation
- a first written warning
- a final written warning
- dismissal (with or without notice)
- any other action that may be deemed appropriate in all the circumstances.

The appropriate outcome will depend on careful consideration of all the circumstances.

## Supporting policy and procedures

- [Leaving ACC policy](#)
- [Solving employment relationship problems in ACC](#)

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OFFICIAL INFORMATION ACT

# Discipline Policy



POLICY NUMBER	2.4.0
TOPIC	Discipline Policy
OWNER	Outside of Scope Employment Relations Manager Business Partners and Organisational Change team People and Culture Group
DATE APPROVED	14 June 2022
APPROVER	Outside of Scope Deputy Chief Executive, People and Culture
DATE OF NEXT REVIEW	June 2025

## 1 Objective

Where conduct concerns arise, ACC's objective is to manage these in a fair and consistent manner, ensuring people get the chance to appropriately participate in the process, provide information and explanations.

## 2 Scope

This policy applies to all of ACC's employees when performing their duties, representing ACC in any way, or where their conduct has a bearing on their role at ACC.

ACC has developed a [Disciplinary procedure](#) to guide leaders and employees in applying these standards.

## 3 Policy statement

All ACC employees have a role to play in maintaining our reputation and standing in the public's perception. Our actions and behaviours must be consistent with the standards outlined in the Code of Conduct at all times. Conduct concerns will be managed through fair and reasonable processes. Behaviour or actions that are investigated and found to be misconduct or serious misconduct may result in disciplinary action.

## 4 Policy standards

This policy supports the [Code of Conduct](#).

- 4.1 Allegations of misconduct or serious misconduct will be dealt with in a procedurally fair manner.
- 4.2 There may be events or situations where an investigation into the employee's conduct is warranted. The potential outcome of such an investigation could include disciplinary action.
- 4.3 ACC will determine the process for conducting disciplinary investigations on a case-by-case basis. Investigations will be full and fair and compliant with natural justice.
- 4.4 Employees have the right to request assistance or support from representatives, including their union, at any stage of the disciplinary process.
- 4.5 Matters of concern will be discussed with employees in a clear and timely manner, giving the employee a reasonable opportunity to explain or respond.
- 4.6 ACC will genuinely consider any explanation provided by the employee before making any decision or taking any disciplinary action.
- 4.7 Employees are entitled to all the relevant information that ACC uses to make any decision.
- 4.8 Support is available to all employees through the [Employee Assistance Programme \(EAP\)](#).
- 4.9 The action taken in any case will depend on the circumstances, including the seriousness of the substantiated conduct and could include written warnings or dismissal (with or without notice). Previously issued warnings may be taken into account in determining the appropriate outcome.
- 4.10 Disciplinary processes are managed confidentially.
- 4.11 The process and its outcome will generally be recorded in writing, with copies provided to the individual and placed on their personal file.
- 4.12 Warnings will specify the misconduct so the employee understands what corrective action is needed.

## 5 Accountabilities

The Deputy Chief Executive People and Culture is responsible for ensuring organisational controls are in place in support of this policy.

## 6 Roles and Responsibilities

Role	Responsibilities
Employees	<ul style="list-style-type: none"><li>• Behave consistently with expected standards, including complying with the Code of Conduct</li><li>• Raise any concerns you have with meeting these standards with your leader, including any potential breaches of the Code of Conduct</li><li>• Engage appropriately engage in any disciplinary process.</li></ul>
Leaders and/or investigators	<ul style="list-style-type: none"><li>• Follow this policy at all times</li><li>• Advise employees of their rights, including their right to support and representation</li><li>• Ensure that expected standards of conduct are clearly communicated to all employees</li><li>• Provide guidance to employees on how to reach expected standards</li><li>• Contact the People and Culture Group if you require advice or guidance.</li></ul>
Senior leaders	<ul style="list-style-type: none"><li>• Take appropriate steps to manage the workplace while allegations of misconduct are being investigated, if appropriate</li><li>• Be a consistent point of contact for the leader and employee involved</li><li>• If employees raise an issue with the disciplinary policy or procedure, ensure this policy and associated procedures are being followed.</li></ul>
People and Culture business group	<ul style="list-style-type: none"><li>• Monitor, update and communicate ACC's policy and procedures for managing discipline to ensure these remain relevant, appropriate and effective</li><li>• Provide advice to leaders and employees on the application of this policy.</li></ul>

## 7 Monitoring and oversight

Line of assurance	Who	Monitoring and oversight
1 <sup>st</sup> line	Employees and leaders	<ul style="list-style-type: none"> <li>• Employees and leaders discuss discipline issues as appropriate</li> <li>• Employees familiarise themselves with the Code of Conduct, policies applicable to their work and uphold expected standards</li> <li>• One up leaders or another senior leader ensures that discipline procedures and this policy are followed.</li> </ul>
2 <sup>nd</sup> line	Employment Relations team	<ul style="list-style-type: none"> <li>• The People and Culture group oversees discipline processes, ensuring they are managed in accordance with the standards of this policy</li> <li>• The Employment Relations team monitors all employment relations cases and reports to the Deputy Chief Executive of People and Culture to provide oversight, and ensure fair procedures are followed.</li> </ul>
	Employment Relations Manager	<ul style="list-style-type: none"> <li>• Provides monitoring and oversight of all employment relations cases.</li> </ul>
3 <sup>rd</sup> line	Assurance Services	<ul style="list-style-type: none"> <li>• Provides independence information on the overall reliability of processes and performance</li> <li>• This includes the Assurance Services schedule of continuous assurance activities for People and Culture processes and assessment of our compliance with obligations.</li> </ul>

Line of assurance	Who	Monitoring and oversight
4 <sup>th</sup> line	Executive	<ul style="list-style-type: none"><li>The CEO and Deputy Chief Executives have primary responsibility for our strategic objectives and reporting to the Board on the management of these objectives.</li></ul>
5 <sup>th</sup> line	Board	<ul style="list-style-type: none"><li>The ACC Board has overall responsibility for ensuring effective risk management is in place. Reviews and assesses CEO and Chiefs' reporting and management of objectives.</li></ul>

## 8 Breaches of Policy

Complying with all policies and procedures is an expectation outlined in the Code of Conduct. Behaviour or actions that are investigated and found to be in breach of the Code of Conduct may result in disciplinary action, up to and including dismissal. Refer to the [Code of Conduct](#) for further information.

## 9 Contacts

Contact HR Help for any information regarding this policy.

[HR Help](#)

## 10 Definitions

See the [Code of Conduct](#) for definitions of misconduct and serious misconduct.

## 11 References

[Code of Conduct](#)

[Leaving ACC policy](#)

[Performance Improvement policy](#)

[Disciplinary procedure](#)

Employment Relations Act 2000



## 12 Version control

Version	Date	Change reason	Who
1.0	21.12.17	Updated existing policy into new template	Outside of Scope
2.0	23.08.18	Slight changes following feedback from [Outside of Scope]	
3.0	19.09.18	Changes following feedback from the working group	
4.0	20.09.18	Added monitoring and oversight section. Added responsibilities for senior managers and Talent. Reworded policy statement. Included right to EAP support as a standard.	
5.0	25.09.18	Updated to Disciplinary policy, removing dismissal and adding Investigator to responsibilities.	
6.0	28.09.18	Updated following working group	
7.0	03.09.18	Added 4.9 Disciplinary processes are managed confidentially	
8.0	04.03.22	Reviewed as part of review cycle and updated to reflect change in owner and following consultation with Risk and Compliance Policy working group. Disciplinary procedure updated.	
8.0	14.06.22	Approved by [Outside of Scope] Deputy Chief Executive, People and Culture	

# Performance Improvement Policy



POLICY NUMBER	2.12.02
TOPIC	Performance Improvement Policy
OWNER	Outside of Scope Head of Talent Service Delivery People and Culture
DATE APPROVED	November 2020
APPROVER	Outside of Scope Deputy Chief Executive, People and Culture
DATE OF REVIEW	November 2023

## 1 Policy Statement

Performance includes the results we deliver, and how we go about their delivery. At ACC, we believe both aspects are of equal importance. All employees play a valuable role in meeting ACC's organisational objectives - so we need to be able to identify performance which doesn't meet our expectations, and provide an appropriate level of support to address it.

## 2 Objective

The purpose of performance improvement is to identify any performance issues, and give employees a reasonable opportunity to improve, so that they consistently meet the standards required of them.

This policy explains ACC's approach to managing performance concerns with employees.

## 3 Scope

This policy applies to all ACC employees. This policy may apply if an employee is not meeting the standards required of them in one or more of the following areas:

- Achievement of objectives and/or Key Performance Indicators (KPIs)
- Adherence to policies/procedures or protocols expected from their role
- Successful completion of all tasks or accountabilities within their position description, or as directed by their manager
- Demonstrating appropriate skills, experience and competence for the role they are employed to do
- Gaining or maintaining any qualification or professional accreditation required of them in their role (the requirement may be by statute for specialist roles, or detailed within their employment agreement, position description or offer letter)
- Appropriate demonstration of ACC values, competencies or behaviours.

## 4 Policy standards

**4.1 The required standards of performance and behaviours are detailed in performance agreements, position descriptions, employment agreements, the Code of Conduct and through any additional information provided by managers or business groups.**

**Standards apply to behavioural competencies and achievement of objectives and KPIs.**

**4.2 Employees are expected to perform their role to the standards required of them. Managers will support employees to enable them to meet performance standards.**

**4.3 If performance becomes an issue, managers will engage in a formal process:**

- **When performance improvement is required, managers will follow the performance improvement procedures**
- **Issues with an employee's performance may alternatively be managed under the discipline and dismissal policy and procedures, where appropriate to do so.**

The discipline and dismissal process is likely to be more appropriate where evidence shows that an employee has deliberately chosen to act in a way that has resulted in a failure to meet required performance standards.

Dismissal is considered to be a last resort.

**4.4 Managers will give reasonable support to help employees make the improvements required, whether through a formal or informal process.**

Managers will decide on the exact nature of support provided by considering the needs of the employee, the needs of the business group, and the resources available to them.

ACC also recognises that performance improvement processes can create stress for employees. We encourage employees to use [the employee assistance programme \(EAP\)](#) and [get professional supervision](#), where appropriate, to assist employees in managing this.

**4.5 Employees involved in the process of performance improvement are entitled to bring a support person or representative to any meeting held as part of the process.**

**4.6 Employees are entitled to representation throughout the process.**

**4.7 Employees may raise a personal grievance if they feel there is a problem or dispute arising out of performance improvement.**

See [solving employment relationship problems in ACC](#) or your employment agreement for more information.

## 5 Accountabilities

The Deputy Chief Executive, People and Culture is responsible for ensuring organisational controls are in place in support of this policy.

## 6 Responsibilities

Role:	Responsibility:
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Perform your role to the standards required of you</li> <li>• Seek assistance from your manager in the event that you experience difficulties in meeting the above standards.</li> </ul>
<b>People Managers</b>	<ul style="list-style-type: none"> <li>• Use the performance development cycle to set clear expectations of the required standards of performance and behaviour for each employee</li> <li>• Provide appropriate support and training to each employee, to give them every reasonable opportunity to meet the standards required of them</li> <li>• Provide regular and timely feedback, to allow employees to correct problems at an early stage, and recognise areas of strength and improvement</li> <li>• Record and keep notes of all Performance Improvement Plans, warnings and formal meetings on the employee's personal file</li> <li>• Provide employees with copies of all notes and PIP documentation</li> <li>• Implement this policy in a fair and consistent manner.</li> </ul>
<b>One up manager</b>	<ul style="list-style-type: none"> <li>• If employees raise an issue with their performance improvement process, ensure this policy and associated procedures were followed by:               <ul style="list-style-type: none"> <li>○ Consulting the employee</li> <li>○ Consulting the employee's manager</li> <li>○ Reviewing documented information.</li> </ul> </li> </ul>
<b>People and Culture</b>	<ul style="list-style-type: none"> <li>• Support managers in using the performance development cycle to set, manage and assess performance effectively</li> <li>• Support managers in applying this policy fairly and effectively by providing appropriate advice and guidance.</li> </ul>

## 7 Monitoring and oversight

Lines of Assurance:	Role	Monitoring & Oversight
1st Line	Employees and People Managers	<ul style="list-style-type: none"> <li>All employees remain alert to potential breaches of the Policy and report potential and actual breaches to their manager</li> <li>All people managers ensure that (i) breaches brought to their attention are documented<sup>1</sup>, (ii) notification of the breach is provided to the owner of the Policy within five days of the breach occurring</li> <li>From time to time we deliberately take actions contrary to a policy's provisions (corporate policy exceptions). When people managers are responsible for a corporate policy exception, the people managers ensure that the exceptions are agreed either using the process in the Policy or by agreement in writing from the Policy owner.</li> </ul>
	Group Risk and Compliance Manager and/or Advisor (If applicable)	<ul style="list-style-type: none"> <li>Supports employees to determine whether events constitute actual breaches of the Policy</li> <li>Escalates breaches to the Group's Leadership Team and Deputy Chief Executive when appropriate</li> <li>Updates risk registers as required.</li> </ul>
	Policy Owner	<ul style="list-style-type: none"> <li>The Policy Owner ensures that the Group (and other parts of ACC if applicable) responds appropriately to Policy breaches and requests for exceptions.</li> </ul>
2nd Line	Enterprise Risk Team	<ul style="list-style-type: none"> <li>Performs periodic oversight activities intended to assess and/or provide insights into (among other things) compliance with the Policy and the adequacy and effectiveness of the Group's practices to monitor compliance and deal with breaches</li> <li>Reports to the Executive and the Board on the outcomes of such activities.</li> </ul>
	People and Culture Group	<ul style="list-style-type: none"> <li>Provides advice and guidance to People Managers and employees to ensure the Performance Improvement Policy is followed.</li> </ul>

<sup>1</sup> The "Policy Breach Template" can be used for this purpose but is not mandatory.

Lines of Assurance:	Role	Monitoring & Oversight
3rd Line	Internal Audit (and external providers)	<ul style="list-style-type: none"> <li>Performs periodic audit activities intended to assess and/or provide insights into (among other things) compliance with the Policy and the adequacy and effectiveness of the Group's practices to monitor compliance and deal with breaches</li> <li>Reports to the Executive and the Board on the outcomes of such activities.</li> </ul>
4th Line	Executive	<ul style="list-style-type: none"> <li>Ensures each Group has sufficient emphasis on risk management and meeting compliance obligations</li> <li>Ensures effective processes and monitoring are in place to meet compliance obligations for the Policy</li> <li>Acts in an appropriate and timely manner in response to reports received that alert the Executive to opportunities to improve Policy compliance activities.</li> </ul>
5th Line	Board	<ul style="list-style-type: none"> <li>Responsible for approving any material changes to the level 1 Policies, including text related to monitoring and oversight of compliance with the Policy</li> <li>Acts in an appropriate and timely manner in response to reports received that alert the Board to opportunities to improve Policy compliance activities.</li> </ul>

## 8 Breaches of Policy

Complying with all policies and procedures is an expectation outlined in the Code of Conduct. Behaviour or actions that are investigated and found to be in breach of the code of conduct may result in disciplinary action or dismissal. Refer to the [Code of Conduct](#) for further information.

## 9 Contacts

Contact [HR Help](#) for any information or assistance regarding this policy.

## 10 Definitions

### Support person or representative

A person who supports the employee when performance improvement conversations take place by helping the employee explain their position:

- Provide advice and guidance to an employee, or act as an advocate for them. May give advice on the support and training an employee should be requesting from their manager whilst undergoing performance improvement processes
- Could be a:
  - PSA representative

- Family member or whānau
- Colleague
- Friend
- Legal representative.

## 11 References

[Code of Conduct](#)

[Training and support for performance improvement processes \(44K\)](#)

[Access the Employee Assistance Programme \(EAP\)](#)

[Performance and development cycle](#)

[Solving employment relationship problems in ACC](#)

**Version Control** - This should reflect the review process.

Version	Date	Change reason	Who
2.12.02	9/11/20	Updated links and added templated Five Lines of Assurance. Minor changes to align with ACC's style guide.	Outside of Scope

# Recruitment, Appointment and Engagement Policy



POLICY NUMBER	2.1.0
TOPIC	Recruitment, Appointment and Engagement of Employees at ACC
OWNER	Outside of Scope Head of Talent Service Delivery People and Culture
DATE APPROVED	October 2020
APPROVER	Outside of Scope Deputy Chief Executive, People and Culture
DATE OF REVIEW	October 2023

## 1 Objective

Through this policy, we aim to have a workforce that is:

- Highly capable
- Aligned to the operational and strategic needs of ACC
- Diverse and inclusive
- Flexible to meet changes in customer, project and operational requirements.

## 2 Scope

The Recruitment, Appointment and Engagement policy applies to:

- Employees
  - permanent employees (full-time and part-time)
  - fixed-term employees (full-time and part-time)
  - casual employees
- Contractors and temporary staff
  - Contractors (direct and from an agency)
  - Agency staff or “temps”.

See employees and contractors **definitions** below for further information.



### 3 Policy Statement

ACC recognises the need to recruit and retain highly capable people to deliver on our vision and strategic intent. We are committed to appointing the right person for the right role in the right way and we strive to create an environment that recognises and celebrates diversity.

This policy describes our approach to the recruitment, selection and appointment of employees. It also describes our approach to the engagement of contractors and temporary staff.

#### **Recruitment and Selection of Permanent, Fixed Term and Casual Employees**

##### **3.1 We are committed to using fair and open recruitment and selection processes to attract a diverse, skilled and high performing workforce**

- a) Recruiting Managers will ensure there is an accurate position description for the role prior to initiating recruitment.
- b) Appropriate approval for recruitment and/or appointment will occur prior to advertising or offer of employment, in accordance with ACC delegations.
- c) Generally, all permanent or fixed term roles for a period greater than three months will be advertised (either internally, or both internally and externally) for a minimum of five days.
- d) ACC seeks to create an environment where all interested and capable employees are able to express interest in vacancies and secondment opportunities. Decisions to directly appoint to a role, or to use targeted advertising, can be approved by the relevant Enterprise Leader where this intent isn't compromised.
- e) Fixed term roles should only be used where there is a genuine business reason for it to be fixed term which could include a specific project, a piece of work or backfilling a permanent position for a specific period.
- f) For all roles that are being advertised or sourced externally, and any roles being advertised outside their own team, Recruiting Managers will work with the Talent Acquisition team to manage the sourcing and appointment process.

##### **3.2 We appoint suitable people based on merit**

- a) Applicants are selected on merit, based on the specific needs of the position. We recognise the diverse needs of our candidates, and our selection process takes this into consideration.
- b) The privacy of all people who express interest in a vacancy is protected during the recruitment and selection process.
- c) Pre-employment screening is undertaken, as appropriate to the position. At a minimum, this requires a Ministry of Justice check, a visa check (if applicable), a credit check (if the position

has financial delegations) and at least two reference checks, including the person's most recent manager for external recruitment and at least one reference check, including the person's current manager, for internal recruitment. Any exceptions will be approved by the relevant Enterprise Leader and will consider all relevant risks.

d) All candidates are kept updated and notified of the outcome of their application.

Information on the recruitment process can be found [here](#).

## **Secondments**

**ACC uses secondment opportunities to resource projects or initiatives, or to cover temporary vacancies as a result of long-term leave, or for backfilling a permanent position.**

We will achieve this by ensuring:

- a) There is a genuine business reason for creating a secondment opportunity including a specific project, a piece of work or backfilling a permanent position for a specific period.
- b) Secondment opportunities of three months or more are advertised internally and open to all permanent ACC employees.
- c) Secondment opportunities of less than three months may be filled by direct appointment.
- d) When a secondment position, is to be filled on a permanent basis (either during, or after the secondment) the secondment manager will advertise the role and select a candidate in accordance with the recruitment standards of this policy.
- e) Employees should discuss their secondment opportunity with their manager to determine whether it is feasible for them to be released before they apply
- f) Secondments should not exceed 12 months.
- g) A secondee will be able to return to their substantive position once their secondment has ended
- h) ACC seeks to create an environment where all interested and capable employees can express interest in vacancies and secondment opportunities. Exceptions to b) and c) above can be approved by the relevant Enterprise Leader where a direct appointment or targeted internal advertising doesn't compromise this intent.

Any other exceptions to the above can be approved by the relevant Business Deputy Chief Executive(s) and the Deputy Chief Executive, People and Culture.

An employee who is on a secondment may be eligible for an Alternative Duties Allowance if they meet certain criteria. Information on this and the secondment process can be found [here](#).

## **Engagement of contractors**

**Recruitment of contractors is a resourcing strategy that ACC uses. It is appropriate to use this strategy to complete temporary or one-off pieces of work, project work, or to meet specific skill requirements that may be difficult to source in an employee**

- a) Contractors should be engaged:
- i. Through a company/labour hire firm, or in a manner that clearly meets the requirements of a legitimate contracting arrangement as described by Employment New Zealand (see definition of contractor)
  - ii. For no longer than 12 months for any single contract
  - iii. For no longer than two years in any three-year period
  - iv. At a rate consistent with market rates and the specialist expertise or skills of the contractor. In general, this should not exceed a 50% premium on the fully costed employee-equivalent rate.

Exceptions to the above will be approved by the relevant Business Deputy Chief Executive and Deputy Chief Executive, People and Culture.

- b) The stand-down period for a permanent ACC employee being engaged as a contractor with ACC will be six months. Any exceptions will be at the discretion of the Deputy Chief Executive, People and Culture.
- c) Recruiting Managers will work with the Talent Acquisition team to manage the sourcing and engagement process for contractors.
- d) Pre-engagement screening is undertaken, as appropriate to the position. At a minimum, this requires a Ministry of Justice check, a visa check (If applicable) and at least one reference check from a person they were responsible to in their most recent engagement. Any exceptions will be approved by the relevant Enterprise Leader and consider all relevant risks.
- e) Contractors should not be appointed to positions which hold delegations, unless approved by the Minister for ACC.
- f) Managers engaging contractors should ensure that appropriate measures are put in place to manage potential conflicts of interest for contractors.
- g) Contractors should not be engaged:
- i. To undertake tasks which ACC could more cost effectively and appropriately resource by engaging employees
  - ii. In situations where a conflict of interest could develop.

Information on engaging a contractor can be found [here](#).

## 4 Accountabilities

The Deputy Chief Executive, People and Culture has accountability for operational implementation of this policy.

## 5 Responsibilities

Role:	Responsibility:
<b>Recruiting Managers</b>	<ul style="list-style-type: none"> <li>• Be accountable and responsible for applying the ACC recruitment, appointment and engagement policies and procedures. Refer to recruitment process.</li> <li>• Ensure the choice made between sourcing an employee or a contractor is an appropriate decision in the circumstances.</li> <li>• Ensure there is sufficient budget for the role and that appropriate approval is obtained under ACC delegations</li> <li>• Consider a diverse candidate pool and select candidates based on merit</li> <li>• Provide onboarding and ongoing support to the employee and contractors, including health, safety, security and privacy requirements.</li> </ul>
<b>Cost Centre Manager/ Enterprise Leader/Deputy Chief Executive</b>	<ul style="list-style-type: none"> <li>• Approve appointment and selection activities as appropriate</li> <li>• Verify with the Recruiting Manager that processes are being followed.</li> </ul>
<b>Talent Acquisition Team</b>	<ul style="list-style-type: none"> <li>• Provide advice and process support to enable the attraction and selection of high-quality candidates including:               <ul style="list-style-type: none"> <li>○ determining the requirements for the role, including whether the resourcing need is best met by an employee or contractor</li> <li>○ where and how-to best source and advertise to attract a diverse range of skilled candidates</li> <li>○ assessment(s) options to determine the best candidate</li> <li>○ a timeline for the recruitment and selection process and the degree of support required from the Talent Acquisition team</li> </ul> </li> <li>• Support compliance with the ACC appointment and selection policies and processes</li> </ul>

## 6 Monitoring and oversight

Lines of Assurance:	Role	Monitoring & Oversight
1st Line	Employees and People Managers	<ul style="list-style-type: none"> <li>All employees remain alert to potential breaches of the Policy and report potential and actual breaches to their manager.</li> <li>All people managers ensure that (i) breaches brought to their attention are documented<sup>1</sup>, (ii) notification of the breach is provided to the owner of the Policy within five days of the breach occurring.</li> <li>From time to time we deliberately take actions contrary to a policy's provisions (corporate policy exceptions). When people managers are responsible for a corporate policy exception, the people managers ensure that the exceptions are agreed either using the process in the Policy or by agreement in writing from the Policy owner.</li> </ul>
	Group Risk and Compliance Manager and/or Advisor (If applicable)	<ul style="list-style-type: none"> <li>Supports employees to determine whether events constitute actual breaches of the Policy.</li> <li>Escalates breaches to the Group's Leadership Team and Deputy Chief Executive when appropriate</li> <li>Updates risk registers as required.</li> </ul>
	Policy Owner	<ul style="list-style-type: none"> <li>The Policy Owner ensures that the Group (and other parts of ACC if applicable) responds appropriately to Policy breaches and requests for exceptions.</li> </ul>
2nd Line	Enterprise Risk Team	<ul style="list-style-type: none"> <li>Performs periodic oversight activities intended to assess and/or provide insights into (among other things) compliance with the Policy and the adequacy and effectiveness of the Group's practices to monitor compliance and deal with breaches.</li> <li>Reports to the Executive and the Board on the outcomes of such activities.</li> </ul>
	People and Culture Group	<ul style="list-style-type: none"> <li>People and Culture will support compliance with this policy by providing advice and guidance to leaders.</li> <li>People and Culture will monitor overall compliance with this policy by reviewing recruitment data and by managing exceptions or issues non-compliance.</li> </ul>

<sup>1</sup> The "Policy Breach Template" can be used for this purpose but is not mandatory.

Lines of Assurance:	Role	Monitoring & Oversight
3rd Line	Internal Audit (and external providers)	<ul style="list-style-type: none"> <li>Performs periodic audit activities intended to assess and/or provide insights into (among other things) compliance with the Policy and the adequacy and effectiveness of the Group's practices to monitor compliance and deal with breaches.</li> <li>Reports to the Executive and the Board on the outcomes of such activities.</li> </ul>
4th Line	Executive	<ul style="list-style-type: none"> <li>Ensures each Group has sufficient emphasis on risk management and meeting compliance obligations.</li> <li>Ensures effective processes and monitoring are in place to meet compliance obligations for the Policy.</li> <li>Acts in an appropriate and timely manner in response to reports received that alert the Executive to opportunities to improve Policy compliance activities.</li> </ul>
5th Line	Board	<ul style="list-style-type: none"> <li>Responsible for approving any material changes to the level 1 Policies, including text related to monitoring and oversight of compliance with the Policy.</li> <li>Acts in an appropriate and timely manner in response to reports received that alert the Board to opportunities to improve Policy compliance activities.</li> </ul>

## 7 Breaches of Policy

Complying with all policies and procedures is an expectation outlined in the Code of Conduct. Behaviour or actions that are investigated and found to be in breach of the Code of Conduct may result in disciplinary action. Refer to [Code of Conduct](#) for further information.

## 8 Contacts

The Talent Acquisition or HR Help teams can be contacted in relation to any queries regarding this policy.

## 9 Definitions

Term	Definition
Employees	An employee is engaged under an employee agreement with ACC directly. Employees may be permanent, fixed term or casual and may be full-time or part-time.
Contractors	Contractors to ACC are either: <ul style="list-style-type: none"> <li>a) Employed by another company (or labour hire firm) and work at ACC under a contract for services that ACC has with that company. This is the situation for most “temps” or agency staff,</li> <li>b) An independent contractor who is responsible for meeting their own tax obligations and raising invoices to be paid through accounts payable. It is important that these contractors satisfy Employment New Zealand’s criteria for an independent contractor. This can be found <a href="#">here</a>.</li> </ul>
Substantive position	An employee’s permanent position within ACC.
Backfilling	Using an acting or temporary appointment, or a secondment, to fill a position while the substantive employee is acting in another role

Further information about how resources are defined at ACC is contained in the Resource Definitions document in the appendix of this policy.

## 10 References

- a) Crown Entities Act
- b) Employment Relations Act
- c) Human Rights Act

### Related policies:

- a) Organisational Change Policy
- b) Equal Employment Opportunity Policy
- c) Conflicts of Interest Policy

**Version Control** - This should reflect the review process.

Version	Date	Change reason	Who
1.0	Feb 2018	Existing policies updated into new template and merged.	Outside of Scope
2.0	29/5/20	Policy review with addition of five lines of assurance. Changes made for clarity and to change delegations for direct appointments. New standard incorporated for pre-employment reference checking to align to SSC Workforce Assurance Standards. Policy reviewed by Employee Relations to confirm no further changes required based on issues since last review.	
3.0	23/9/20	Minor changes to include coverage of long-term leave as a valid reason for a secondment. Credit check included as a minimum requirement for new employees moving into a position with financial delegations. Updated links contained within the document. Updated Higher Duties Allowance references to Additional Duties allowance. Added the Resource Definitions document as an appendix to the policy. Updated 5LOA section to match new template for 5LOA.	
3.1	15/10/20	Minor adjustments to wording and style based on feedback from the RCPWG	

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# Remuneration and Performance Policy

POLICY NUMBER	2.0.0
TOPIC	Remuneration and Performance Policy
OWNER	<div style="background-color: black; color: white; padding: 2px;">Outside of Scope</div> Head of Talent Service Delivery Executive Leaders People and Culture
DATE APPROVED	May 2019
APPROVER	ACC Board
DATE OF REVIEW	May 2021

## 1 Policy Statement

This policy explains our approach to the remuneration and assessment of employee performance.

## 2 Objective

Delivering organisational outcomes depends on performance measures and behaviours being achieved by all employees across ACC. This policy provides a consistent, transparent and flexible framework for rewarding and recognising employee contribution to these outcomes via a performance based remuneration model.

## 3 Scope

This policy applies to all permanent and fixed term ACC employees. The policy doesn't apply to casual employees and contractors.

Members of the Executive and some employees within the Investments Team have their performance and remuneration managed under different arrangements, consistent with their employment agreements.

## **Policy standards**

- 3.1 We benchmark our remuneration against the median of the total New Zealand employment market at least annually to ensure we recruit and retain the best talent for ACC. (This benchmark is known as the “All Organisations Median”).**
- 3.2 Subject to organisational performance and affordability, we’re committed to providing performance-based rewards to all employees who perform at or above the standards required of them, as assessed during the annual performance review cycle.**

## **Pay Bands**

- 3.3 We have pay bands for every position within which individual salaries are set and reviewed.**
- 3.4 Pay bands state the salary range which applies to a given role. The salary range for each band is 85%–120% of the applicable market rate. Market rates are reviewed annually using comparable salary data and may increase to maintain alignment with comparable roles in the market.**
- 3.5 Employees’ pay bands are determined by the job evaluation process and their employment terms and conditions.**

## **Performance based pay increases**

- 3.6 Our performance year runs from 1 July–30 June. The first month is used to set meaningful objectives and competencies. An assessment of achievement over the period is completed at the end of the performance year.**
- 3.7 Pay increases based on the previous year’s performance rating are effective from 1 July.**
- 3.8 Most employees who have performed at, or above, the required standard are eligible to receive a performance-based pay increase as a result of this process, excluding:**
  - employees who commenced employment on or after 1 April of the current performance year or received an increase in remuneration between 1 April and 30 June, and
  - employees who worked for less than three months of the performance year, unless their absence is injury or illness related or due to parental leave.
- 3.9 The performance-based pay increase is not guaranteed, and is determined by a number of factors:**
  - organisational affordability
  - ACC’s organisational performance
  - the employee’s pay band and current salary
  - the employee’s performance rating, based on the achievement of objectives and competencies through the annual performance review, and
  - the type of Employment Agreement in place for each employee.

## Pay Tables

**3.10 Each year, performance pay tables are produced to determine performance-based rewards for employees.**

**3.11 We have two performance pay tables and application is determined by the employee's employment agreement:**

- The first table may provide a fixed percentage increase based upon the performance rating;
- The second table may provide a percentage increase, lump sum payment, or a combination of the two, and takes into account both the performance rating and position within the applicable pay band.

**3.12 The tables may vary year on year according to the factors detailed under the Performance based pay increases heading.**

## **4 Accountabilities**

The Deputy Chief Executive, People and Culture is responsible for ensuring organisational controls are in place in support of this policy.

## **5 Responsibilities**

<b>Role:</b>	<b>Responsibility:</b>
<b>Employees</b>	<ul style="list-style-type: none"><li>• Participation in developing SMART objectives.</li><li>• Active participation in catch ups with managers, by bringing evidence and examples that demonstrate performance against objectives and competencies.</li></ul>
<b>Managers</b>	<ul style="list-style-type: none"><li>• Managing and assessing employee's performance through the performance review model, including setting SMART objectives that align with organisational outcomes for employees and creating development plans.</li><li>• Holding regular catch ups with employees to discuss their performance and development against the objectives and competencies.</li><li>• Ensuring accurate and up-to-date position descriptions exist for each position to enable accurate job evaluation.</li><li>• Managing any exceptions to the provisions of the Remuneration policy by seeking advice from the People and Culture Group, and working within the authority limits set out within the Corporate Delegations Schedules at all times.</li></ul>
<b>People and Culture</b>	<ul style="list-style-type: none"><li>• Responsible for the performance review model including any communication with employees and management.</li><li>• Monitor remuneration markets and make recommendations to the Board and Executive on appropriate levels of annual pay band movement and increase percentages within Pay Performance Tables.</li></ul>

<b>Board Governance and Remuneration Committee</b>	<ul style="list-style-type: none"> <li>Annually review and make recommendations on ACC's remuneration, recognition and reward policies and programmes.</li> </ul>
<b>Public Service Association (PSA)/ Association of Salaried Medical Specialists (ASMS)</b>	<ul style="list-style-type: none"> <li>Provide feedback on changes that impact remuneration and performance of employees as appropriate</li> </ul>

## 6 Monitoring and oversight

<b>First line of assurance</b> People Managers	<ul style="list-style-type: none"> <li>People Managers are responsible for ensuring performance discussions are conducted with each employee and outcomes are recorded.</li> <li>People Managers are responsible for ensuring their employees are remunerated in line with ACC's policy and procedures.</li> </ul>
<b>Second line of assurance</b> People and Culture	<ul style="list-style-type: none"> <li>The People and Culture Group monitors completion of performance reviews and oversees remuneration increases.</li> <li>The People and Culture Group is responsible for identifying and reporting exceptions to this policy including any pay increases above allowable limits to the Deputy Chief Executive, People and Culture.</li> </ul>
<b>Third line of assurance</b> Assurance	<ul style="list-style-type: none"> <li>Assurance Services reviews the results of the monitoring activities and assesses and reports on compliance with this policy as required.</li> </ul>
<b>Fourth line of assurance</b> Executive	<ul style="list-style-type: none"> <li>The Chief Executive and Deputy Chief Executives are responsible for overseeing performance across the organisation and reviewing remuneration annually.</li> </ul>
<b>Fifth line of assurance</b> Board	<ul style="list-style-type: none"> <li>The ACC Board are responsible for reviewing ACC's remuneration approach annually to ensure ACC has robust remuneration, recognition and reward policies and programmes in place.</li> </ul>

## 7 Breaches of Policy

Complying with all policies and procedures is an expectation outlined in the Code of Conduct. Refer to the Code of Conduct for further information.

## 8 Contacts

Contact HR Help for any information regarding this policy.

## 9 References

Code of Conduct  
Performance Development Cycle (PDC)  
Current Pay Bands

**Version Control -**

Version	Date	Change reason	Who
1.0	11/02/19	Updated existing policy into new template	Outside of Scope
2.0	27/03/19	Review and feedback provided by members of the Risk, Compliance and Policy Working Group	
	30/04/19	Reflect changes suggested at 16April Governance & Remuneration Board. Approved by Board 30 May 2019	

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## Supporting Performance Plan

Employee name

Date

Expectation	Measure	Management support actions	Progress check points	Assessment
Task/activity/behaviour - what the employee is expected to do or demonstrate	How we will assess whether the expectation has been meet	Support provided to assist the employee to meet the expectation	Date of check in – have as many as is reasonable given performance concerns	Assessment of progress at check in
Repeat the above for each expectation				

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