

**SENATE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
LEGISLATION COMMITTEE**

**2003-2004 ADDITIONAL ESTIMATES HEARING
19 FEBRUARY 2004**

EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO

QUESTIONS ON NOTICE

Outcome: Corporate

Question Number: W357-04

Senator Carr asked in writing:

1. For each agency within the Department, please provide full details of each of the performance assessment mechanisms linked to the pay outcomes or other financial reward of individual employees, including;
 - a. What are the current process/es of performance assessment within the portfolio agency? If more than one, please provide details of each, and the employee category it applies to.
 - b. For each of the performance assessment process/es identified in (a), please list the range of outcome results an employee can achieve from each of the performance assessment processes identified in (a);
 - c. For each of the performance assessment process/es identified in (a), what pay or other financial change is linked to each outcome or result for the employee from the performance assessment [ie, the pay increase or one-off bonus or classification or level change];
 - d. For each of the performance assessments identified in (a), what is the classification level of employees subject to this performance assessment (eg SES, EL1, EL2 or APS and equivalent);
 - e. What is the principal industrial or other instrument governing each of the performance assessment mechanism/s (eg, the certified agreement or AWA);
 - f. Does the performance assessment operate over a common cycle? Please provide the commencement and end dates of the most recent full cycle of each of the assessment process/es.
2. For each performance assessment mechanism described in (1), advise the number of male and the number of female employees at each possible outcome, by classification level for the most recent full cycle (if the performance

mechanism does not operate over a common cycle - aggregate outcomes using the 2002-03 financial year).

Answer:

Part 1: Response by Department of Employment and Workplace Relations

1 (a) The Department's current scheme for managing performance is its 'Performance Agreement Scheme'. This covers employees on the department's Certified Agreement or an Australian Workplace Agreement (AWA). Employees covered by the Certified Agreement have their performance outcomes linked to salary advancement (salary increments). Employees covered by an (AWA) have their performance outcomes linked to a performance (cash) bonus scheme.

The scheme involves a three step process:
 Step 1: Establish Performance Agreement
 Step 2: Mid Year Feedback
 Step 3: Performance Assessment

1 (b) and (c) For employees covered by an AWA, the following performance rating outcomes and performance bonus payments may apply:

Performance Rating	Percentage of maximum bonus amount (guide only)
Outstanding – upper	Above 75%
Outstanding – lower	More than 50 and up to 75%
Superior – upper	More than 25 and up to 50%
Superior – lower	Up to 25%
Effective	Nil
Unsatisfactory	Nil

For employees covered by the Certified Agreement, the following performance rating outcomes and salary advancement arrangements may apply:

Performance Rating	Salary Advancement
Outstanding	Single salary increment
Superior	Single salary increment
Effective	Single salary increment
Unsatisfactory	Nil

- 1 (d) All employees are subject to the terms of the Performance Agreement Scheme.
- 1 (e) The principal instruments governing the Performance Agreement Scheme are the Certified Agreement and AWAs.
- 1 (f) The performance agreement scheme operates from 1 July to 30 June each year. The most recent full cycle was completed on 30 June 2003.

2. See Attachment A.

Part 2: Response by Comcare

- 1 (a) Comcare's Performance and Development Framework (PDF) provides the common process for performance assessment of all employees. The PDF is a performance management system which requires employees, in consultation with their team leaders, to complete an individual action plan and a learning and development plan at the commencement of the cycle (financial year), participate in feedback discussions with the team leader at specified points during the cycle, and be assessed on their performance at the end of the cycle.
- 1 (b) Comcare's PDF describes four levels of performance rating: Excellent, Standard, High Standard, Satisfactory and Unsatisfactory.
- 1 (c) Employees received the second pay rise provided for in the Certified Agreement subject to meeting their responsibilities for participation in the Comcare PDF.

Employees advance one salary point if they receive an end of cycle performance rating of satisfactory or above.

- 1 (d) Comcare's Performance and Development Framework (PDF) provides the common process for performance assessment of all employees.
- 1 (e) The majority of Comcare staff are covered by a Certified Agreement. All SES, EL2 and EL1 staff are covered by AWAs as are small number of staff at APS classifications. Approximately 20% of staff are covered by AWAs.
- 1 (f) Performance assessment (the PDF cycle) operates over a common cycle in Comcare. The PDF cycle for 2002-2003 started on 1 August 2002 and ended 31 July 2003.

2.

Number of staff eligible for a pay increase

Ratings	Males	Females
Employees rated as Satisfactory, High Standard Overall or Excellent Standard Overall (data on specific ratings is not centrally collected)	136	196
Employees rated as Unsatisfactory	0	0
Total	136	196

Part 3: Response by Equal Opportunity for Women in the Workplace Agency (EOWA)

- 1 (a) The agency has a performance assessment scheme entitled 'Individual Performance Goals and Outcomes'. It provides the common process for managing performance for all employees. The scheme requires employees to establish three goals for 12 months, complete a form and meet with their manager to discuss and sign off. The scheme also provides for regular feedback throughout the year as required by the employee or manager and an opportunity for performance feedback with peers during staff meetings. The final step involves reviewing the goals after a 12 month period.
- 1 (b) The scheme has nil rating outcomes.
- 1 (c) All employees receive an increment unless their performance is judged by the manager to be extremely unsatisfactory. No performance bonus scheme applies.
- 1 (d) All employees are subject to the same performance assessment scheme arrangements.
- 1 (e) All agency employees are covered by a Certified Agreement and all EL1 employees and above by an AWA.
- 1 (f) The performance assessment scheme's cycle is from 1 January to 31 December each year.
2. The current performance assessment scheme has yet not been in operation for a full cycle – it was implemented in November 2003. The previous scheme allowed for performance bonus payments of up to 10% of base salary for employees at Executive level 1 and above for those covered by an AWA. The Agency decided that in the interests of increasing productivity through higher levels of staff and team morale a focus on team rewards should be implemented. On this basis, the individual performance bonus scheme was disbanded.

Part 4: Response by National Occupational Health and Safety Commission

- 1 (a) All ongoing and non-ongoing employees (employed for greater than 3 months) are required to have a performance agreement in place within 4 weeks of commencement. The components of the performance agreement include Performance Management, Learning and Career Development, Performance Feedback and Salary Advancement. Payment of annual increments is determined based on the outcome of performance assessment. The key steps contained in the National Occupational Health and Safety Commission Performance Management Program include:
 - develop Performance agreement including learning and career development plan.

- informal feedback sessions
- formal mid-cycle review and feedback
- annual review of performance including rating.

All processes relate to staff of all levels whether covered by a Certified Agreement or an AWA.

1 (b)

- clarification on the employee's priorities over the performance cycle.
- agreement on learning and development priorities
- feedback on work performance, behaviour, compliance with APS values and code of conduct, leadership and team contribution and corporate contribution.
- periodic review of priorities and learning and development plan issues and amend activities if appropriate.
- Assessment of performance and performance rating. NOHSC use two ratings; Effective and Requires Development.

1 (c) Annual incremental advancement (if applicable - up to the top of the range) at the end of the performance cycle.

1 (d) SES, EL2, EL1, APS 1- 6

1 (e) NOHSC Certified Agreement 2002-05 and individual AWAs

1 (f) Financial year cycle

2 At the end of the performance cycle for 2002-2003 no staff were rated as "requires development".

Effective staff numbers are as follows:

Classification Level	Male	Female
SES	3	1
EL2	9	4
EL1	9	11
APS 6	11	13
APS 5	2	5

APS 4	2	4
Graduate	1	3
APS 3	1	2
APS 2	1	-
Total	39	43

Part 5: Response by the Employment Advocate

1 (a) A Performance Management Policy applies. It involves 3 tiers:

- i) For individual employees it involves an individual performance agreement, a mid cycle performance review, and an end cycle performance assessment.
- ii) For teams it involves a Business Plan with performance indicators, and an end of cycle performance assessment.
- iii) For the OEA as a whole it involves the Strategic Plan with performance indicators, and an end of cycle performance assessment.

1 (b) The following ratings apply to the individual, team and OEA performance assessments:

- Exceptional
- Fully Competent
- Competent
- Requires Development
- Unsatisfactory

1 (c) One-off bonuses are paid as follows:

Rating	OEA Annual assessment % salary (payable per annum)	Team 6 monthly assessment % salary (payable per 6 months)	Individual 6 monthly assessment % salary (payable per 6 months)	Maximum % possible per annum
Exceptional	5	2.5	2.5	15
Fully Competent	3.2	1.6	1.6	9.6
Competent	1.6	0.8	0.8	4.8
Requires Development	Nil	Nil	Nil	Nil
Unsatisfactory	Nil	Nil	Nil	Nil

1 (d) All OEA employees, ranging from OEA 2 to SES Band 1.

1 (e) AWAs

1 (f) The Performance Management Policy took effect from 1 July 2003. The individual and team assessments operate on a 6 monthly cycle. The first cycle was 1 July to 31 December 2003. The OEA assessment operates on a 12 month cycle, the current one being 2003/04.

2.

Class	Male	Female	Total
OEA2	4	14	18
OEA3	4	12	16
OEA4	4	15	19
OEA5	5	6	11
OEA6	15	22	37
OEALGMGR	1	0	1
OEAMGR1	8	9	17
OEAMGR2	2	3	5
SEB1	3	1	4
Total	46	82	128

Part 4: Response by Australian Industrial Registry

1 (a) The Registry's performance appraisal and assessment process requires that employees complete a team plan together with an individual team member plan (TMP). The process is not linked to remuneration rewards including performance bonus payments excepting salary increments. The first level of the Registry's planning arrangements is the team plan which requires that the team manager together with their team members construct an annual plan for the period 1 July to 30 June. The plan must reflect the team's contribution to the Registry's work and other requirements including key result areas. At the individual level, each ongoing employee has an annual TMP which has been agreed with their team manager and is reflective of the employee's role in the team.

Each team plan and TMP is required to be reviewed mid-term (by mid-February) and a full-term performance assessment is to be completed by late June.

1 (b) The TMP rating outcomes are: 'Unsatisfactory', 'Satisfactory' and 'Fully Satisfactory'.

1 (c) Salary increments are available. No performance bonus scheme applies.

1 (d) APS levels 1 -6 (reflected as Registry levels 1-4)

Executive levels 1-2 (reflected as Registry levels 5-6)

- 1 (e) Employees are covered by the certified agreement and Australian Workplace Agreements (AWAs). AWAs are available to all employees notwithstanding classification level.
- 1 (f) The team planning and team member planning cycle commences on 1 July each year and is completed on 30 June of the following year (12 months).
2. Details about employee performance rating outcomes are not available as these records are not stored in a central depository nor are the outcomes electronically recorded. In view of this, retrieval of individual employee performance rating outcomes and other related information are not readily available.

Attachment A

Rating	Gender	APS1	APS2	APS3	GRAD	APS4	APS5	APS6	Exec 1	Exec 2	Govt Lwr1	Govt Lwr2	SES	Totals
Unsatisfactory	Male	0	2	0	0	0	1	0	2	1	0	0	0	6
	Female	0	0	1	0	1	1	1	0	0	0	0	0	4
Effective (CA)	Male	2	3	38	4	45	77	82	37	9	0	0	0	297
	Female	4	6	66	6	76	106	65	29	7	4	0	0	369
Effective (AWA)	Male	0	0	2	2	0	2	5	15	6	1	0	0	33
	Female	1	0	0	2	1	3	4	8	1	0	0	1	21
Superior (CA)	Male	0	0	13	2	31	61	78	55	7	1	0	0	248
	Female	0	0	26	8	46	78	97	41	5	3	3	0	307
Superior (Lower)	Male	0	2	2	2	1	12	25	51	21	1	1	4	122
	Female	0	0	1	3	7	13	17	26	11	0	0	6	84
Superior (Upper)	Male	0	0	0	3	1	5	22	55	44	2	3	16	151
	Female	0	0	4	2	11	11	21	44	27	0	1	9	130
Outstanding (CA)	Male	0	0	3	2	3	3	12	9	3	0	0	0	35
	Female	0	0	1	4	4	8	11	14	2	1	2	0	47
Outstanding (Lower)	Male	0	0	0	1	2	2	8	22	19	1	1	10	66
	Female	0	0	0	0	1	6	4	19	15	2	1	8	56
Outstanding (Upper)	Male	0	0	0	0	0	1	1	11	7	0	0	9	29
	Female	0	0	0	0	3	0	5	9	11	0	0	3	31
Totals		7	13	157	41	233	390	458	447	196	16	12	66	2036

Figures are based on ratings entered on the Performance Agreement System

