

**Senate Finance and Public Administration Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Finance and Administration Portfolio**

**Department of Finance and Administration**

February Additional Estimates Hearings 2003-04 – 17 February 2004

**Question: F30.1**

**Across All Outcomes and All Outputs**

**Topic: Performance Management**

**Hansard Page: N/A**

**Written Question on Notice: 17 February 2004**

**Senator Carr asked:**

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 [i.e., 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 (e.g., 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.

**Answer:**

- a. The Finance Certified Agreement (CA) Performance Management Cycle applies to all staff employed under either the Finance or the COMCAR CAs. It provides for:
  - a quarterly review in the case of COMCAR drivers;
  - a mid cycle review; and
  - an end of cycle review.

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The Finance AWA Performance Management Cycle applies to all staff employed under an Australian Workplace Agreement, including members of the Senior Executive Service (SES). It provides for:

- a quarterly review in the case of COMCAR drivers;
- a mid cycle review; and
- an end of cycle review.

Performance assessment applies to all employees of the Department.

b. Possible outcomes:

Under a Finance CA Performance Management System:

- a rating of Superior (score 7.1-10) can earn a performance bonus of 7.3%-15% of cash salary, based on a sliding scale;
- a rating of Competent (score 5.1-7) can earn a performance bonus of 2%-7% of cash salary, based on a sliding scale;
- a rating of Borderline (score 3.6-5) means that no performance bonus is payable; and
- a rating of Unsatisfactory (Score 0-3.5) means that no performance bonus is payable.

Included in the maximum potential performance bonus available (15% of cash salary) there is the concept of "on target" for COMCAR drivers who are covered by the CA. This equates to a rating of 6.7 and attracts a performance bonus of 5% of cash salary. The balance of the performance bonus percentage is payable on a sliding scale as outlined above, depending on performance.

Under the Finance AWA Performance Management System:

The maximum performance bonus (MPB) that can be paid is as follows:

- for SES employees – 10% of base salary;
- for EL1 and EL2 level employees – 7.5% of base salary; and
- for APS1 to APS6 level employees – 5% of base salary.

The following percentage of the MPB is payable for the following ratings:

- Outstanding (100% MPB);
- Superior (75% MPB);
- Highly Effective (50% MPB);
- Effective (25% MPB); and
- Requires Development (no performance bonus payment).

For COMCAR drivers covered by AWAs the possible outcomes are as follows:

- A rating of Superior (score 7.1-10) can earn a performance bonus of 9%-15% of base salary, based on a sliding scale;
- A rating of Competent (score 5.1-7) can earn a performance bonus of 2%-8.7% of base salary, based on a sliding scale;

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- A rating of Borderline (score 3.6-5) means that no performance bonus is payable; and
- A rating of Unsatisfactory (Score 0-3.5) means that no performance bonus is payable.

Included in the MPB available (15% of base salary) there is the concept of “on target” for COMCAR drivers who are covered by AWAs. This equates to a rating of 6.7 and attracts a performance bonus of 7.5% of base salary, i.e. 50% of the MPB. The remaining 50% is subject to the sliding scale outlined above.

- c. Under the Finance CA Performance Management System: one-off performance bonus payment.  
Under the Finance AWA Performance Management System: one-off performance bonus payment.
- d. All APS levels, Executive Levels 1 and 2 and SES Bands 1-3.
- e.
  1. Department of Finance and Administration Certified Agreement 1997-1999.
  2. COMCAR Certified Agreement 1997-1999.
  3. COMCAR Drivers' Certified Agreement 2002-2005.
  4. Individual Australian Workplace Agreements.
- f. All Finance Performance Management Systems operate on a common cycle for a full financial year. The most recent assessment period was for 2002-2003, i.e. 1 July 2002 to 30 June 2003.

Date: April 2004  
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