

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Commonwealth Grants Commission

February Estimates Hearings 2003-04 – 17 February 2004

Question: F30

Outcome Commonwealth Grants Commission

Topic: Performance Assessment Mechanisms

Hansard page: N/A

Written Question on Notice: 17 February 2004

Senator Carr asked:

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

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Answer:

1.

Performance feedback is an on-going process that is both formal and informal — supervisors set realistic and clearly understood goals and performance measures, and ensure that employees are given ongoing feedback on how they are performing. The supervisor is also responsible for ensuring that employees are informed of the nature and standard of work expected.

The Performance Feedback System (PFS) supports the skills and responsibilities component of the remuneration framework of the Commission by providing the basis for assessment of an employee's salary point within the classification band.

The PFS's objectives are:

- to assist employees to develop and maintain effective performance, both within their work teams and across the Commission; and
- to ensure that each employee is trained to meet changing requirements of their job.

The PFS operates under the following broad parameters:

- The annual period for performance feedback shall generally commence on 1 April.
- A performance agreement for each employee outlining objectives, skills requiring development, performance indicators, and a training and development plan, shall be completed annually at the time of assessment.
- Formal feedback discussions between each employee and their supervisor shall be held at least twice each year, covering:
 - o work performance and contribution, both individually and as part of a team; and
 - o training and development needs (including career development).

The formal feedback discussion in March each year shall focus on an assessment of the employee's contribution to the Commission's objectives and shall include a self-assessment by the employee.

A program of performance management training, including training for supervisors and employees in the giving and receiving of performance feedback, shall be provided as required.

(a)

- Each employee is subject to the PFS. A skills and responsibilities component for all employees is established at one of the two to four salary points above the base salary point and reviewed through the PFS.
- An employee shall be assessed every twelve months, within the PFS, for movement from their salary point at 31 March.

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(b)

Range of outcome results an employee can achieve:

- (i) *Outstanding (O)*
- (ii) *Meets Agreed Expectations (MAE).*
- (iii) *Needs Development (ND)*
- (iv) *Less than Effective at Level (<EatL)*

(c)

- The following points guide movement through pay points in a classification for the twelve months commencing 1 April each year: Where an employee is assessed as achieving an *Outstanding* performance level, he or she shall advance through more than one salary point, except where he or she is at the maximum of their classification. The number of salary points advanced shall be at the discretion of the Secretary.
- Where an employee is assessed as achieving a *Meets Agreed Expectations* performance level, he or she shall advance one salary point, except where he or she is at the maximum of their classification.
- Where an employee is assessed as achieving a performance level of *Needs Development*, no salary point movement shall result and a development plan will be agreed between the supervisor and the employee. Progress against that plan will be evaluated after 60 days. If there is improvement, the plan shall continue as part of the next performance agreement, but, if there is no improvement the procedures specified in the Performance Management section of the Certified Agreement (CA) shall apply unless special circumstances exist.
- If an assessment of *Less than Effective at Level* is likely, the employee should be notified 90 days prior to the end of the assessment period and the formal underperformance processes outlined in the Performance Management section of the CA should be put in place. If performance improves by the end of the processes, the implications will be in accordance with those outlined above for the assessment received. If performance does not improve or the final assessment is *Less than Effective at Level* the implications will be in accordance with the Performance Management section of the CA.
 - o Where an employee is assessed as performing at a *Less than Effective at Level*, and did not receive prior notification, no salary point movement shall result and the procedures specified in the Performance Management section of the CA shall apply unless special circumstances exist.
- When an employee achieves a rating of *Outstanding*, and are at the top of their salary range - a one-off lump sum payment equal to 2.5% of their 31 March salary point is payable.
- When an employee achieves a rating of *Outstanding*, and prior to the assessment was one pay point below the maximum for the classification - advance to the maximum pay point of the classification and receive a one-off lump sum payment equal to 1.5% or more of the maximum 31 March salary pay point for the classification. The size of the bonus shall be at the discretion of the Secretary.

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- When an employee achieves a rating of *Meets Agreed Expectations* and is at the top of their salary range - a one-off lump sum payment equal to 1.5% of their 31 March salary point is payable.
- Performance bonuses paid will be treated as salary for superannuation purposes on a one off basis in the first year after they are awarded and to a maximum of an additional 2.5% during the life of the Certified Agreement.
- For SES employees the responsibilities and skills component of the employee's total salary is the amount agreed by the employer having regard to the work value/weight of the employee's duties relative to other SES positions in the APS, together with the demonstrated skills, particularly in relation to leadership and management, and the experience of the employee in the area of inter-government financial relations.
- The responsibilities and skills component is re-assessed at the end of the performance appraisal cycle each year. The maximum value of this component varies with the SES classification.

The amount of the responsibilities and skills component shall not be reduced, other than for changed job weight assessment, except in accordance with a performance appraisal of the employee under the Commission's PFS.

- Where an SES employee is assessed under the Commission's PFS as *Meets Agreed Expectations*, he/she will receive a one-off lump sum payment equal to 5% of his/her total salary as at 31 March.
- Where an SES employee is assessed under the Commission's PFS as achieving a rating higher than *Meets Agreed Expectations*, he/she will receive a one-off lump sum payment equal to 7.5% of his/her total salary as at 31 March.
- Performance bonuses paid to SES employees will be treated as salary for superannuation purposes on a one off basis in the first year after they are awarded and to a maximum of an additional 7.5% cent during the life of their Agreement

(d)

- The classification levels currently covered by the PFS are:
 - APS1-6
 - EL1-2
 - SES Band 1-2

(e)

- Non-SES employees are covered by the Commission's Certified Agreement; *Commonwealth Grants Commission, Certified Agreement, 2002-2004*, unless they have negotiated an AWA.
- Each SES employee is covered by an AWA in accordance with government policy.

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(f)

- The assessment system operates over a common cycle for all employees i.e. 1 April through to 31 March. The most recent full cycle being for the twelve month period 1 April 2002 to 31 March 2003.

2.

- Outcomes for cycle 1 April 2002 to 31 March 2003. Actual classifications have been grouped for privacy.

Classification	Outstanding	MAE	ND	<EatL
APS3-4	1	4	0	0
APS5-6	0	5	0	0
EL1-2	2	6	0	0
SES B1-2	0	1	0	0
FEMALE	3	16	0	0
APS5-6	0	5	0	0
EL1-2	3	12	0	0
SES B1-2	0	2	0	0
MALE	3	19	0	0
TOTAL	6	35	0	0