

**Senate Finance and Public Administration Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Finance and Administration Portfolio**

**Department of Human Services and agencies**

Budget Estimates 2005-2006, 26 May 2005

**Question: HS53**

**Outcome 1, Output Group 1.1**

**Topic: Health Insurance Commission – Performance pay**

**Hansard Page/Written Question on Notice: Written**

**SENATOR LUDWIG** asked:

1. Is performance pay available under your department/agencies certified agreement?
2. If so how many staff in your department/agency are eligible for performance based pay?
3. Please provide a breakdown of performance pay awarded for this financial year to date including the following details:
  - (a) How many staff have received performance pay?
  - (b) What levels are those staff at?
  - (c) What gender, a breakdown please?
  - (d) How much has each staff member received?
  - (e) When did they receive it?
  - (f) What was the rationale for the awarding of performance pay in each instance?
  - (g) Did the department/agency head receive performance pay?
  - (h) How much?
  - (i) When?
  - (j) On what grounds?

**Answer:**

1. Performance pay is not available to those employees covered by the HIC's Certified Agreement. Employees in receipt of an AWA are eligible to receive performance pay subject to meeting a required level of performance.
2. 316 employees are eligible to receive performance pay at the end of the current assessment cycle on 30 June 2005.
3. (a) 323 staff received performance pay in the period 1 July 2004 to 14 June 2005.  
(b), (c) and (d)

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The number of employees who received performance pay, by classification level and gender, is shown in the attached table. The table also shows the average bonus payment received by employees at each classification level.

<b>Classification</b>	<b>Male</b>	<b>Female</b>	<b>Total Bonuses Paid (\$)</b>	<b>Average Bonus Paid (\$)</b>
Senior Executive	32	18	453,974	9079
Medical Advisor	16	8	154,300	6429
Legal 2	*	*		*
HIC 8	98	53	793,008	5252
HIC 7	51	41	400,106	4349
HIC 6	*	*		*
HIC 5	*	*		*
Total	201	122	1,801,388	

\* Note – figures not provided as small number of staff would compromise privacy.

- (e) Employees received bonus payments, for the 2003-04 performance assessment cycle, on 15 July 2005. In accordance with HIC policy, a small number of bonus payments have subsequently been paid to employees who ceased their employment with the HIC during the current financial year.
- (f) The employee's performance against agreed goals, as developed in a Performance Support Agreement between an employee and their manager, determines an employee's eligibility to a bonus payment.
- (g) The former occupant of the office of Managing Director, HIC, was eligible for a performance bonus on 1 July 2004 and again, on their cessation, on 10 December 2004.
- (h) Under Remuneration Tribunal Determination 1999/15, the Managing Director is eligible to receive at-risk performance pay of up to 15% of the total remuneration applying to the office.
- (i) Performance bonuses were paid to the Managing Director on 26 August 2004 and 24 March 2005.
- (j) The HIC Board applies the performance remuneration guidelines established by the Remuneration Tribunal in assessing the performance of the Managing Director. Bonus amounts are determined by the Board on the basis of the performance of the Managing Director against objectives and measures contained in a Performance Agreement.