

Senate Standing Committee on Finance and Public Administration

ANSWERS TO QUESTIONS ON NOTICE

Prime Minister and Cabinet Portfolio
Department of the Prime Minister and Cabinet
Supplementary Budget Estimates 20 - 23 Oct 2008



Question: PM20

Topic: Mr Heaney (HBA) - advice on AWAs

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Senator Fierravanti-Wells asked: Is his [Mr Heaney's] advice available?

Mr Mrdak-He provided advice to us in relation to options, yes.

Senator FIERRAVANTI-WELLS-I would be interested to see that.

Mr Mrdak-I will take that on notice.

Answer: The Department is not in a position to provide the full report to the Committee as it contains personal information relating to staff performance ratings and remuneration levels.

However, reproduced below is the opening paragraphs of the report from HBA Consulting which sets out the scope of the work requested by PM&C. HBA addressed each of the items listed in the scope in their final report.

SES Remuneration – Stage 1 Report, prepared by HBA Consulting, 8 May 2008

1 Introduction

- 1.1 HBA Consulting (HBA) has been engaged by the Department of Prime Minister and Cabinet (PM&C) to provide advice and assistance in relation to SES remuneration matters including the termination of current SES Australian Workplace Agreements (AWAs) by consent, development of replacement Section 24 (1) Determinations (under the Public Service Act 1999), rolling in of performance pay to salary and adjustment of current performance pay cycle to coincide with financial years. Following completion of the SES revised remuneration arrangements; HBA has also been requested to provide additional advice relating to transition of non-SES staff from AWAs to the certified agreement and development of further Section 24 (1) Determinations as appropriate by 30 September 2008
- 1.2 In discussion with PM&C it has been agreed that the scope of work associated with this project should be segmented into three stages. Stage 1 relates to initial advice associated with SES remuneration and should be completed by 8 May 2008. Stage 2 relates to the actual implementation of revised SES remuneration arrangements with a target completion date of 30 June 2008 and Stage 3 relates to residual remuneration policy issues and implementation of non -SES

Senate Finance and Public Administration Legislation Committee

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arrangements for staff on AWAs. The target completion date of this part of the project is 30 September 2008.

1.3 This report relates to Stage 1 of the project only.

2. Stage 1 – Scope of Work

2.1 The scope of work in Stage 1 can be summarised as:

- Comment on the indicative salary plus car allowance ranges for SES Bands 1-3 and how these compare generally across the APS. (HBA Note: this will include current comparison with APS and selected agencies where data is made available).
- Assist with the development of total remuneration packages for SES officers.
- Provide advice on the processes and steps required to achieve mutual agreement to terminate SES AWAs by 30 June 2008 and introduce individual S24 Determinations from 1 July 2008 for all SES including early decisions and consultation processes required as well as a draft timeline for consideration by the PM&C Executive.
- Provide suggested options for the most effective way to “roll in” performance pay into base salary, for example at the 50% and 75% of maximum available.
- Provide advice on the processes for, and any impediments to, changing the SES cycle for performance appraisal to a financial year basis, including advice on pro rata arrangements for performance pay from 1 October 2007 to 30 June 2008.