



PERFORMANCE MANAGEMENT & SALARY SYSTEM POLICY 5.30

PERFORMANCE MANAGEMENT & SALARY SYSTEM

DIVISION: GOVERNANCE

PILLAR: GOVERNANCE

FILE / BINDER:

INTRODUCTION

Council is committed to a culture of continuous improvement where there is a coordinated approach to work planning, open communication, ongoing coaching, regular feedback and continuous learning and development.

Council recognises that the skills and performance of its employees is critical to the successful achievement of organisational objectives as set out in its Strategic Plan. Therefore, it is essential that managers and supervisors identify, evaluate and develop employee skills and work performance in order to achieve the goals and objectives of Council.

The Performance Management and Salary System (PMSS) will identify organisational values, priorities and requirements, clarify expectations and identify training and development needs/opportunities. The System will be based on merit and avoid personal bias and discrimination.

The emphasis of performance assessments will be to encourage excellence, resolve problems leading to poor performance, identify development opportunities and reward high performance.

This document has been prepared to outline the various components of the PMSS and detail how it operates.

THE SALARY SYSTEM

The Salary System determines how employees are paid. It complements entry level rates of pay set by the Local Government (State) Award and identifies salary steps that are over and above those rates of pay.

Step 1 or Entry Level is determined by the criteria of the Job Description and Person Specification and represents the base level skills required for the job. Progression through the salary system is based on the acquisition and use of skills and performance.

The salary system is made up of 21 overlapping salary grades. The entry point at each grade is 3% above minimum entry level rates of pay. There are an additional 3 skill and performance related steps each valued at 5% within each grade. These additional steps are determined by the following factors:

- **Step 2:** Job Enhancement - development of higher level skills/knowledge required in the job.
- **Step 3:** Multiskilling - experience in a broader range of functions/areas

- **Step 4:** Career Development - development of skills that would allow consideration for promotional opportunities.

JOB EVALUATION

All positions, with the exception of those designated as senior staff under the Local Government (State) Award and apprentices/trainees whose level of salary is specifically defined, are evaluated using the Job Evaluation System which sets the appropriate grade within the Salary System.

A job must have substantially increased in scope, duties and responsibilities for a re-evaluation to be conducted. If a position is re-evaluated by more than 2 grades it is considered a new position and must be advertised.

Re-evaluations are normally only considered during annual performance reviews, organisational restructure or as part of the review of a vacant position.

If during the annual performance review it is identified that there has been substantial change to the duties and responsibilities of a position, the Manager is to forward copies of the existing and revised job descriptions and a memo outlining the reasons for the recommendation for re-evaluation to the Manager Employee & Community Relations. This information will be assessed and determined if a re-evaluation is warranted and reported to Manex

If the recommendation for re-evaluation is approved by Manex a meeting between the Manager, incumbent and a representative from the Employee Relations Branch will be convened to complete a Job Evaluation Questionnaire. The result will be reported to Manex and in the event that an increase in Grade is recommended and approved Employee Relations will advise the Manager and prepare the necessary documentation advising the employee and payroll staff. An employee would normally be placed on a step in the new grade which recognizes the current skill and performance level and does not disadvantage the incumbent.

Re-evaluations should be conducted within one month of the finalization of the annual performance review process and any subsequent pay increase will be effective as at the first full pay period after 1 October.

NEW OR VACANT POSITIONS

Prior to any new or vacant position being advertised a Staff Vacancy Replacement Request Form must be completed by the relevant Manager and forwarded to the General Manager for approval.

Once approval has been granted, the Branch Manager, in consultation with the Employee Relations Branch, will prepare or review the Job Description and Person Specification. If necessary a Job Evaluation Questionnaire will be completed to determine the appropriate grade within the Salary System. Information regarding job evaluation will be reported to MANEX for approval.

NEW APPOINTMENTS

Appointments, based on merit selection and assessed on ability to meet the requirements of the Job Description, will generally be made at the Entry Level for the Grade. It may be necessary from time to time to pay a market allowance above the entry level or for an appointment to be made above Step 1 in the Grade. These decisions will be made by the Director in consultation with the Branch Manager and the Employee Relations Branch.

A probationary period, generally three months, will apply to all permanent and temporary appointments with the exception of internal appointments.

Note: To avoid any disadvantage in the case of internal transfers or promotions the employee will be placed on the appropriate Step within the Grade.

MARKET ALLOWANCE

It may be necessary from time to time to undertake a market analysis to ensure equity in payment and to address difficulties in recruitment. This may result in the payment of a market allowance above the entry level of the grade for the duration of the appointment. In most cases this allowance will not be subject to award increases.

Note: An above market allowance will be applicable to an individual position and will not necessarily be applied to a similar position.

METHOD OF PROGRESSION

Progression within the grade will be determined by the assessment of three components:

Council's Core Values
Job Specific Criteria
Performance Objectives linked to Business Plans

- **Core Values:** These values are considered to be an essential component of working at Camden Council and employees must demonstrate an ongoing commitment and score at least 80% in this section of the assessment to be considered for progression.
- **Job Specific Criteria:** Assessment of this component will be based upon the employee's ability to demonstrate all the required criteria for each progressional step
- **Performance Objectives:** Will be assessed on the employee's ability to meet all the objectives determined and agreed upon at the previous assessment.

ANNUAL REVIEWS

Annual reviews will be conducted in the period between July and August each year. At the assessment the supervisor and the employee will review and discuss the

employee's skill and performance levels over the preceding twelve months and the supervisor will determine if the employee is to maintain their current salary level, be recommended for a salary increase or requires further training.

The supervisor will also determine if an employee's performance meets the criteria for a bonus recommendation however the recommendation will not be discussed with the employee until it has been approved by MANEX.

Following the review of the previous year, goals and objectives for the next twelve months will be discussed and determined. Training and development needs will also be identified.

Upon completion of the assessment the supervisor is to forward all relevant documentation (core values, step criteria, objectives, learning and development needs, bonus and position re-evaluation recommendations) to the Manager and/or Director for approval.

The Director will review all performance assessment documentation to ensure consistency across the Division. All documentation is then forwarded to the Employee Relations Branch for organisational review of equity and consistency and preparation of a report to MANEX.

Every attempt will be made to pay step increases in the first full pay period after 1 September. The re-evaluation procedure will also commence for any position re-evaluation approved by MANEX.

MID YEAR REVIEWS

Mid year reviews will be conducted in between January and February each year. The purpose of this review is to assess core values, discuss progress to date, provide support and feedback and identify any issues or concerns. If organization priorities change it may also be necessary to amend performance objectives set at the annual review to reflect changing conditions.

Step increases are not determined at this mid year review however the supervisor will consider if the employee's performance over the last six months meets the criteria for recommendation of a bonus. This recommendation will not be discussed with the employee until it has been approved by MANEX.

NOTE; An employee who has been the subject of disciplinary action during the period since the last review will not normally be considered for a step increase or bonus payment.

TRAINING AND DEVELOPMENT

Supervisors and staff will jointly identify training and development needs and opportunities. These may include any shortfall in skills or performance; specific needs to maintain current skills, development of new skills to achieve agreed objectives and job specific criteria.

Training which will allow employees to take advantage of multiskilling and career development opportunities will also be identified.

The Employee Relations Branch will assist in providing learning and development opportunities through Corporate, Branch specific and individual training plans.

It should however be noted that an employee's inability to meet required standards may not always be a training and development need but rather a performance management issue. In this case strategies to deal with poor performance should be adopted.

BONUS SYSTEM

All permanent or long term temporary employees are eligible to be considered for a bonus which will be paid as a one off lump sum payment to be determined by MANEX.

MANEX reserves the right to alter the bonus payments subject to prevailing economic constraints.

Recommendations for bonus payments are considered at both the annual and mid year reviews and apply at any step within the Salary System.

Bonus payments can be awarded to an individual or a team where it is considered exceptional performance has been demonstrated.

Bonus recommendations are to be made by the supervisor conducting the performance review and submitted for approval by the Manager and/or Director. All relevant documentation is to be forwarded to Employee Relations staff who will conduct an organizational review and prepare a report to Manex. Employees are not to be informed of bonus recommendations until endorsement by Manex has been confirmed.

Every attempt will be made to pay bonus payments in the first full pay period after 1st September and the first full pay period after 1st March each year.

An employee forfeits all right to bonus payments upon resignation unless authorised by Manex.

NOTE; An employee who has been the subject of disciplinary action during the period since the last review will not normally be considered for a step increase or bonus payment.

HIGHER DUTIES ALLOWANCE

A Higher Duties Allowance will continue to be paid to authorised people for temporary periods in higher positions. These higher duties will not however be considered as part of the annual review as they are of a temporary nature.

WHO IS ASSESSED

All permanent employees continuously employed and on the job for a period of at least six months will be assessed at least once a year, with the exception of those staff that are assessed separately under the terms of their employment

Temporary employees who are employed for longer than twelve months may also be considered for a performance review.

WHO WILL CONDUCT THE ASSESSMENTS

The employee's immediate supervisor or Manager will conduct the assessment. Managers will submit assessment recommendations to the Director, who will monitor for consistency and equity within the Division and approve subject to endorsement by Manex.

All assessment documentation, including bonus and position re-evaluation recommendations, will then be forwarded to the Employee Relations Branch for monitoring to ensure equity and consistency across the organization. A report detailing all assessment recommendations will be prepared by Employee Relations staff for determination by Manex.

In the event that a recommendation is not endorsed by Manex, prompt feedback is to be provided to the employee by the Manager and/or Director.

SALARY PROGRESSION

Approved increases and bonus payments will be paid in the first full pay period after the 1st September review or 1st March review each year.

WHAT HAPPENS IF AGREEMENT IS NOT REACHED AT ASSESSMENT

In most cases the manager/supervisor should be able to resolve any disagreement however if this is not possible the matter may be referred to the Director or General Manager for consideration. The employee may also access Council's Grievance Procedure or seek assistance from the Employee Relations Branch at any time.

PERFORMANCE MANAGEMENT TRAINING

The success of the system will depend on the degree of commitment and skill of those using it. All staff need to understand the aims of the system, expectations and how the System will be applied.

It is essential therefore that managers and supervisors who are expected to conduct assessments of employee's performance participate in training to ensure the System is understood and assessments are conducted fairly and consistently.

CONFIDENTIALITY

All aspects of the assessment process remain confidential between the parties involved. Completed assessments are kept by the Employee Relations Branch and can be made available on request.

RELEVANT LEGISLATION:	Local Government (State) Award 2007
RELATED POLICIES:	5.23 Grievance Handling Procedure
DELEGATIONS:	N
SUSTAINABILITY ELEMENT:	N
STAFF TRAINING REQUIRED?	N

NEXT REVIEW DATE: November 2010

PREVIOUS POLICY

ADOPTED: 12 July 2001
MINUTE: GMs Delegation