Procedure 5.04.15  Salary Administration

Department  Workforce & Administration

Responsible Officer  Manager Workforce & Administration

Version  5

Approved by LEG  17 February 2014

Next revision  November 2017

Introduction

These procedures provide guidelines as to how employees are paid and assessed for progression within Council’s salary system.

Council is committed to the maintenance of an effective salary system that achieves maximum internal equity between positions. The structure should reward the acquisition and use of skills and performance, at the same time, ensuring salary levels attract and retain skilled staff.

Council’s Salary System compliments the entry level rates of pay and skill descriptors in the Local Government (State) Award 2010 (the Award) by identifying salary grades and steps that are above the entry level rates of pay. Progression through the salary grades for positions is based on the outcome of the Annual Employee Performance Review process.

Unless otherwise determined by the General Manager, approved salary increases arising out of the annual Employee Performance Review will apply from the commencement of the first full pay period on or after 1st November in that year.

A review of the salary system was undertaken in 2009/2010 resulting in the introduction of:

- a modified salary structure with a reduced number of grades and steps and increased percentage movement between salary steps; and

- improved user friendly on-line skill and performance review documentation.

The revised salary structure came into effect from the first pay period in November 2010.

The salary system

Salary structure

The salary structure has 24 overlapping salary grades. The salary structure excludes trainee, cadet and apprentice positions, which are paid in accordance with the Award.

The structure also provides for salary progression within each Grade based on the acquisition and use of skills and performance.

Salary ranges will be regularly compared with market information to the extent that comparative information is available. Market information will be a factor, but not the main factor, in determining the salary structure.
Job evaluation - general

Each position in council has been evaluated (excluding Band 1, Level 1 positions) utilising a proprietary job evaluation system to determine the appropriate grading classification within the salary structure based on work value points. Positions shall be re-evaluated in the following circumstances:

- If the position is newly created.
- If a significant change has occurred in the duties and responsibilities of the position, which is confirmed by the responsible Manager/Supervisor in consultation with their Group/Executive Manager.
- If an evaluation has been conducted and has resulted in an apparent anomaly.

Job evaluation - new or vacant positions

The relevant Manager, the Group/Executive Manager and the Manager Workforce and Administration shall evaluate new or vacant positions consistent with the following procedure. A comprehensive position description, including the selection criteria, is to be prepared by the Manager. A Job Evaluation Questionnaire (JEQ) shall be completed by the Manager and the Group/Executive Manager for review by the Manager Workforce and Administration. The data will be input by the Manager Workforce and Administration or his/her delegate who shall discuss the outcomes, including relativities with other positions, with the Group/Executive Manager and Manager.

Job evaluation - job redesign

Any changes to position duties or responsibilities resulting from discussions between the occupant and the Manager should be reflected in an amended position description. This may occur following the annual Employee Performance Review interview or at any time during the year should significant changes to duties or responsibilities occur.

An amended position description, including the selection criteria, is to be prepared by the Manager. A JEQ shall be completed by the Manager and the Group Manager for review by the Manager Workforce and Administration. The data will be input by the Manager Workforce and Administration who shall discuss the outcomes, including relativities with other positions, with the Group Manager. In the event the employee does not agree with the outcome, the employee shall be provided with a copy of the completed JEQ for discussion with the Manager.

The Manager/Group Manager shall complete a Recommendation for Regrade memorandum to detail the reasons for the recommendation.

The grading recommendation shall then be referred to the next meeting of the Consultative Committee for information. The General Manager will then authorise the Grade change.

Where time constraints prevent Consultative Committee consultation prior to action being taken, any decisions made shall be referred to the Committee for information at their next meeting.

Where a position is redesigned to such an extent that new disciplines or complete new areas of responsibility are being proposed, consideration is to be given by the Group Manager to advertise the re-evaluated position in accordance with Council’s recruitment and selection procedures.
Where more than one discipline or additional function is proposed, or the position is increasing by more than 2 Grades, and the Group Manager determines that the position should not be advertised, a report is to be forwarded to the next Consultative Committee by that Group Manager. The Manager Workforce and Administration will be responsible to advise the Group Managers of the requirements of this section at such time that the position is being re-evaluated.

The above action should also consider Clause 35 Workplace Change and Redundancy of the Award.

**Job evaluation – operative date**

The Manager, the Group Manager and the Manager Workforce & Administration shall establish the date from which they consider the revised duties have been fully performed and recommend accordingly to the General Manager. This should occur at the same time that the General Manager is considering the Committee’s recommendation for re-grading. The Manager prepares the recommendation and the Group Manager and Manager Workforce & Administration should also endorse it.

The recommendation is to fully detail the reasons for backdating (where applicable).

The General Manager is to be satisfied the recommendation accurately describes the situation and the date of effect is fair and reasonable.

**Job evaluation – appeals**

Employees may appeal against the grading of their positions and the following appeal procedure should be followed:

1. The Manager, in consultation with the Group Manager and the Manager Workforce & Administration, will endeavour to clarify the reason for the grading or may recommend the Grade awarded to the position be reviewed. If the employee is not satisfied with the outcome at this stage, he/she should write to the General Manager outlining the concerns and detail all factors considered to be relevant to a further review.

2. The General Manager shall discuss the issues with the Group Manager/Manager, the Manager Workforce & Administration and the employee and shall then determine the grading of the position.

This appeal procedure does not prevent the employee from following Clause 31, Grievance and Dispute provisions of the Award nor does it undermine the employee's right to refer the matter to a Union representative at any stage of the process.

**Salary progression**

Progression through the salary steps within the salary grade determined for positions is achieved through the annual Employee Performance Review. The review process has been established to recognise and reward the acquisition and use of additional skills and includes a separate performance component.

The span for each salary grade is 17.5% above the entry level. Eligible employees can achieve a maximum increase in salary of 2.5% above entry level per annum at each salary step. This includes:

- 50% of the increase for skill/performance based salary progression; and
- 50% of the increase for the separate performance component and
• 100% of the increase for performance at those steps where the skill based progression no longer applies

The salary steps and method of progression is outlined in the following table with the percentages showing the amount over entry level.

<table>
<thead>
<tr>
<th>Grade Groups</th>
<th>Award Band &amp; Level</th>
<th>Method of Progression</th>
<th>Salary Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Entry 1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>1 - 6</td>
<td>1/2, 1/3, 1/4 and 2/1</td>
<td>Skill/performance based salary progression</td>
<td>% over entry level</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Performance Component</td>
<td>% over entry level</td>
</tr>
<tr>
<td>7 - 16</td>
<td>2/2, 2/3, 3/1, 3/2 and 3/3</td>
<td>Skill/performance based salary progression</td>
<td>% over entry level</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Performance Component</td>
<td>% over entry level</td>
</tr>
<tr>
<td>17 +</td>
<td>3/4 +</td>
<td>Skill/performance based salary progression</td>
<td>% over entry level</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Performance Component</td>
<td>% over entry level</td>
</tr>
</tbody>
</table>

Note: Skill based salary progression top out at Step 5 for Grades 1 to 6; Step 3 for Grades 7 to 16 and Step 2 for Grades 17 and above. In those instances where skills top out, performance based salary progression should apply in accordance with the provisions of the Salary Structure.
Progression through the grade structure

Progression to a higher grade may only occur if a job is redesigned or if an employee is appointed on merit to a higher graded position. Job redesign will only proceed where the outcomes benefit both the employee(s) and the organisation, e.g. provides opportunities for multi-skilling and better career development or pay, as well as providing improved efficiencies for Council. As part of a job redesign process, where there are identical positions undertaking identical work and requiring identical skills/qualifications, all of the positions may be reviewed. In many cases, job redesign will flow from the acquisition and use of new skills. The process involved in re-evaluating positions as a result of job redesign is outlined in Section ‘Job evaluation – general’ above.

Council’s pay structure is such that all the grades have overlapping salary ranges. In the event that an employee is regraded to a higher position and is currently receiving a pay rate in excess of the entry level of the higher position, he/she will be paid at the next performance based salary step of that grade that is above their current rate. Where movement to the next performance based salary step results in an increase of less than 3%, the employee will be paid at the next performance based salary step.

New employees are to be placed on either the entry level or at a negotiated performance based salary step (green columns). New employees are not to commence on a skill based salary step (yellow columns).

Employee Performance Review (other than manager positions)

An annual process of Employee and Performance Review will be undertaken in August and September each year and shall provide the basis of determining progression through the salary points and steps. The detailed procedure of the review process is outlined in Section 2 of this Procedure.

New staff will have their training performance plan formulated within 3 months of commencement. New staff who have completed at least 6 months service at 31 July in the review year will be eligible for progression following the August/September review. Employees commencing after 31 January will not be eligible for the current Employee Performance Review pay increment, however a review must be completed to establish a training plan/performance plan for the subsequent 12 months. These employees will be eligible to receive increment pay point progression during the subsequent review period (i.e. 12 months later) unless other arrangements were made in the offer of appointment letter.

Progression within the salary grades is available only to employees who have met the outcomes agreed in the annual training plan and performance targets.

The Employee Performance Review provides a consistent basis for evaluating training outcomes, to enable progression through the steps for the Grade, and the opportunity to receive feedback on individual performance.

Increases resulting from the Employee Performance Review will be operative from the beginning of the first full pay period to commence on or after 1 November in the year of review. Where for reasons beyond an employee’s control, the agreed skills training cannot be delivered in the required timeframes, the yearly skills based pay increase will not be unreasonably withheld.
Skills and performance review (manager positions)

An annual process of Employee Performance Review will be undertaken in August and September each year and shall provide the basis of determining progression through the salary steps. The detailed procedure of the review process is outlined in Section 2 of this Procedure.

New Managers will have their training performance plan formulated within 3 months of commencement. New Managers who have completed 6 months service at 31 July in the review year will be eligible for progression following the August/September review. Managers commencing after 31 January will not be eligible for the current Employee Performance Review pay increment, however a review must be completed to establish a training/performance plan for the subsequent 12 months. These employees will be eligible to receive increment pay point progression during the subsequent review period (i.e. 12 months later) unless other arrangements were made in the offer of appointment letter.

Progression within the Salary Structure is available only to Managers who have met the outcomes established in the annual performance agreement.

Progression through the salary steps would be by an increase in salary to the next salary step until the maximum of the range is reached.

Increases resulting from the Employee Performance Review will be operative from the beginning of the first full pay period to commence on or after 1 November in the year of review. Where for reasons beyond an employee’s control, the agreed skills training cannot be delivered in the required timeframes, the yearly skills based pay increase will not be unreasonably withheld.

Salaries on commencement

New staff will normally commence on the entry level of the grade of the position to which they have been appointed.

Wage equity between existing and new staff in the system is an important factor. Proposed appointment salaries for new staff will not, wherever possible, be in excess of the salaries of existing staff in comparable positions.

The Group/Executive Manager is to consult with the Manager Workforce & Administration prior to negotiating or offering a salary rate above the entry level for the grade.

The General Manager is to authorise salary on appointment where the salary exceeds Step 5 in each grade.

Refer to 5.04.23 Attraction/Retention procedure for additional information relating to salaries on commencement.
Section 2 - The annual employee performance review

Purpose of the Annual Employee Performance Review

- To provide an opportunity to review Position Descriptions and agree on future priorities for the position.
- To provide a mechanism for recognising and rewarding the acquisition and use of additional skills identified in the individual training plan.
- To discuss performance.
- To provide feedback on performance in relation to organisational values, Key Performance Indicators (KPIs) and where relevant specific work plans.
- To help identify any areas for improvement.
- To look at appropriate training needs for further career and/or position development.
- To provide Council with information to support salary progression.
- To provide feedback to supervisors.

When the annual review takes place

Annual reviews will be carried out during the period 1 August and 30 September each year. The time frames for completion of the review are as follows:

- Employees should complete the appropriate sections of the on-line review form by 31 August. Employees who do not have access to the form on-line will be provided with a printed version to complete.
- Supervisors (assessors) should meet with employees and complete the review by no later than 30 September.
- Group Managers need to approve and forward completed performance reviews to Workforce and Administration no later than 15 October.
- Employees can be provided with a hard copy of their completed Employee Performance Review each year.

Applicability

All Council staff will be assessed at least once a year, with the exception of:

- New employees who have not completed 6 months services as at 31 July in the current review period.
- Casual staff who are not engaged on a regular and systematic basis.
- Trainees, apprentices and those other staff who are assessed separately under the terms of their employment.
Employees at the top of their salary grade

While employees on or above the maximum of the salary grade for their position are required to complete those sections of the appraisal relating to the Position Description Review, Achievement of Performance Indicators and Workforce Planning to support their ongoing training and career development.

How to access employee performance review system

The Employee Performance Review form is accessed through the employee’s Authority dashboard. Employees who do not have access to a computer will be provided with a hard copy.

How to complete the review

There are separate on-line forms for employees, and supervisors and managers. The on-line forms are user friendly and include check boxes, drop down checklists and text fields for recording responses to questions and comments.

Options for completing the Review are outlined below:

**Option 1**

<table>
<thead>
<tr>
<th>Employee</th>
<th>Supervisor &amp; Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completes the appropriate sections of the review and submits it to his/her Supervisor.</td>
<td>Supervisor meets with the employee, completes his/her sections of the appraisal and in discussion with the employee jointly completes Sections 2 - 7 and the review summary.</td>
</tr>
</tbody>
</table>

**Option 2**

<table>
<thead>
<tr>
<th>Employee</th>
<th>Supervisor</th>
<th>Supervisor &amp; Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completes the appropriate sections of the review and submits it to his/her Supervisor.</td>
<td>Completes the appropriate sections of the review and arranges a time to meet with employee to complete the review.</td>
<td>Meet to jointly complete Sections 2 - 7 and the review summary.</td>
</tr>
</tbody>
</table>

Note: In some operational areas supervisors will need to provide assistance to employees in accessing computer terminals and in completing the review, or jointly completing the review with the employee.
What the review involves

The on-line review forms contain the following sections:

Section 1 - Position Description review

This section enables the employee and supervisor to review the position description via a link and to reach agreement as to whether the Position Description is current and accurately reflects the position requirements.

Where the employee and supervisor agree the position description has changed an amended position description, including the selection criteria, is to be prepared by the Manager. If a significant change has occurred in the duties and responsibilities of the position, which is confirmed by the responsible Manager the position should be re-evaluated in accordance with the Section ‘Job Evaluation – General’ of this procedure.

Section 2 – Workplace Behaviours (including Our Values)

This section involves an assessment of those skills, including “Our Values” that apply to all positions at each salary level. The factors applicable to employees, supervisors and managers are summarised in the following table:

<table>
<thead>
<tr>
<th>Factors Skills (including Our Values)</th>
<th>Applicable (Yes/No)</th>
<th>Employees</th>
<th>Supervisors</th>
<th>Managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Service</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Working in the Council Environment</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Teamwork</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Performance</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Integrity</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Sustainability</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Risk Management</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Output and Productivity</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

Section 3 – Achievement of Performance Indicators / Output

In this section employees performance is rated against the agreed performance indicators in the position description and includes provision to develop a performance improvement plan, where applicable.

Section 4 - Workforce Planning (optional)

This section is optional for employees to complete, but it does provide an opportunity for employees to identify and discuss possible future career plans and goals in Council with their supervisor as part of workforce planning.

Where applicable, and having regard to other training priorities, relevant training and development activities may be included the Training and Development Plan for the next 12 months by your supervisor.
Section 5 - Training and Career Development

This section is completed jointly by the supervisor in consultation with the employee. It involves; a review and assessment of training objectives for the last 12 months (i.e. acquisition and application of skills); and recording the training and development plan for the next twelve months based on skills audit priorities.

Section 6 - Performance Objectives & Standards (for the previous 12 months and specific work plans if applicable)

This section is only completed for those positions; where the skills audit has not identified additional skills to be acquired in the next 12 months (ie. skills have topped out) and performance based salary progression will apply; or to record project based targets for the next 12 months (if applicable). Supervisors and employees are to jointly develop the agreed performance objectives and standards for the next review period.

Section 7 - Employee feedback to supervisor (optional)

This section is optional for employees to complete. It provides an opportunity for employees to provide feedback to their supervisor and rate their level of job satisfaction.

Section 8 – Review Summary

This section is to be completed by the supervisor in discussion with the employee. There is provision for:

- The supervisor to give an overall summary of the review and make a specific recommendation in terms of salary progression (i.e. 1.25% for skills acquisition and use and 1.25% for performance targets).
- Employees to comment on any aspect of the review including the supervisor’s summary.
- The employee and supervisor to reach agreement on the outcome of the assessment.

Appeals - Assessments

In the event the supervisor (assessor) and employee are unable to reach agreement on the assessment, the matter will be referred to the Manager Workforce and Administration. A performance assessment is deemed not agreed if comments to this affect are included on the documentation from either the employee or manager or either the employee or the manager has refused to sign off on the assessment documentation. The Manager Workforce and Administration will then take steps to have the matter dealt with through Clause 31 Grievance and Dispute Procedures under the Local Government (State) Award 2010.

Variation

Council reserves the right to review, vary or revoke this procedure in consultation with the unions represented at Council.