

POLICY NO AND TITLE	1.2.1	Conditions of Employment policy
PROCEDURE	1.2.1(x)	Salary Administration
VERSION AND DATE ADOPTED	3	20 August 2008
RESPONSIBLE OFFICER		Manager Human Resources

Introduction

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

Council demonstrates this commitment by providing progression within the salary system subject to the achievement of targets identified in the Skills and Performance Review process. These increases are in addition to those provided through re-negotiation of the Award and any local work area arrangements.

Council's Salary Structure is based on the Local Government Job Evaluation System, which establishes the work value of each position and assesses the outcomes of any job redesign resulting from the acquisition and use of new skills.

The ongoing review and refinement of the system shall occur on a consultative basis.

6.1 Job Evaluation - General

Each position in Council is evaluated utilising the Local Government Job Evaluation System and placed within the Grading structure based on the work value points.

6.2 Job Evaluation - New or Vacant Positions

The relevant Manager, the Director and the Human Resources Manager/Officer 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 Questionnaire shall be completed by the Manager and the Director for review by the Human Resources Manager/Officer. The data will be input by the Human Resources Manager/Officer who shall discuss the outcomes, including relativities with other positions, with the Director and Manager.

6.3 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 Skills and Performance Review interview (refer Section 7) or at any time during the year should significant changes to duties or responsibilities be made.

An amended position description, including the selection criteria, is to be prepared by the Manager. A Questionnaire shall be completed by the Manager and the Director for review by the Human Resources Manager/Officer. The data will be input by the Human Resources Manager/Officer who shall discuss the outcomes, including relativities with other positions, with the Director. In the event that the employee does not agree with the outcome, the employee shall be provided with a copy of the completed questionnaire for discussion with the Manager.

The Manager/Director shall complete a Recommendation for Regrade form to detail the reasons for the recommendation.

The grading recommendation shall then be referred to the next meeting of the Consultative Committee for consideration. The Consultative Committee shall forward a recommendation to the General Manager for authorisation.

Where time constraints prevent Consultative Committee consideration prior to action being taken, any decisions made shall be referred to the Committee for information.

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 Director to advertise the redesigned position in accordance with Section 1.2(a) of this Manual.

Where more than one discipline or additional function is proposed, or the position is increasing by more than 2 Grades, and the Director determines that the position should not be advertised, a report is to be forwarded to the next Consultative Committee by that Director. The Human Resources Manager/Officer will be responsible to advise the Directors of the requirements of this section at such time that the position is being re-evaluated.

The above action should also consider the Workplace Change and Redundancy Clause of the Local Government (State) Award.

6.4 Job Evaluation – Operative Date

The Manager, the Director and the Human Resources Manager/Officer 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 Director and Human Resources Manager/Officer should also endorse it.

The recommendation is to fully detail the reasons for backdating.

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

6.5 Job Evaluation - Appeals

Members of staff may appeal against the grading of their positions and the following appeal procedure should be followed: -

1. The Manager, in consultation with the Director and the Human Resources Manager/Officer, will endeavour to clarify the reason for the grading or may recommend that 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 Director/Manager, the Human Resources Manager and the employee and shall then determine the grading of the position.

This appeal procedure does not prevent the employee from following the grievance 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.

6.6 Salary Structure

Council has adopted a salary structure which provides for forty (40) grades covering award classifications from Band 1 Level 2 to Band 4 Level 4. The structure also provides for salary progression within each Grade based on the acquisition and use of skills and performance.

The forty (40) grades have been established using the award entry level salaries and the Local Government Job Evaluation System as a basis to develop the structure. The system is based on a point's scheme as shown below: -

BAND/LEVEL	POINTS
1/1	<100
1/2	100 TO 160
1/3	161 TO 240
1/4 OR 2/1	241 TO 350
2/2 OR 3/1	351 TO 440
2/3 OR 3/2	441 TO 550
3/3	551 TO 650
3/3 OR 4/1	651 TO 660
3/4 OR 4/1	661 TO 750
3/4 or 4/2	751 TO 800
4/2	801 TO 850
4/3	851 TO 950
4/4	> 951

Intermediate salary grades have been established in each Band and Level to provide recognition of increased job size within each Level of each Band.

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.

6.7 Salary Progression

Council's Salary system provides two distinct methods of salary progression. The first relates to the position itself and the associated responsibilities of the position and the second to the additional skills and performance achieved by the position occupant.

6.7.1 Progression through the Grade Structure

Progression to a higher grade may 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. 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 6.3 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 salary step of that grade that is above their current rate. Where movement to the next salary step results in an increase of 2% or less, the employee will be paid at the following salary step.

6.7.2 Progression through the Salary Steps

Progression through the Salary Steps will be achieved through the annual process of Skills and Performance Review. The review process has been established to recognise and reward the acquisition and use of additional skills and the performance of either the team or the individual employee.

Progression through the salary steps applies to all categories of employees (permanent full and part-time, fixed term appointments, temporaries and casuals).

The conditions for progression (outside the skills acquisition and use and performance) shall be a cumulative period of 12 months actual service.

Any periods of leave without pay will defer the payment from 1 August by the number of completed months leave without pay.

The salary steps provide a range of 17.4% that is comprised of 18 steps of .9% above the entry level.

Salary steps are subject to the successful completion and use of identified skills.

6.7.3 Transition to Revised Structure

The revised 18 step structure is operative from 1 August 2005.

Employees who are eligible for a salary increase at that time (based on May/June 2005 review) will be placed on the next salary step of their grade that exceeds the step that would have applied on the previous structure.

6.8 Skills and Performance Review (other than manager positions)

An annual process of Skills and Performance Review will be undertaken in May and June 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 7 of this Manual.

New staff will have their training plan formulated within 3 months of commencement. New staff that have completed 6 months service at 30 April in the review year will be eligible for progression following the May/June review. Employees commencing after 1 November will be reviewed during the subsequent review period unless other arrangements were made in the offer of appointment letter.

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

The Skills and 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 and/or team performance.

Progression through the salary steps would be by an increase in salary of 1.8% per annum (.9% for skills acquisition and use and .9% for performance). Employees who achieve training and performance targets will move 2 salary steps each year until the maximum of the range is reached.

Increases resulting from the Skills and Performance Review will be operative from the beginning of the first full pay period to commence on or after 1 August in the year of review.

The Skills and Performance Review forms have been developed to address both individual and team assessment.

Team assessment will apply uniformly to all members of the team except where the team determines that a member has either demonstrated exceptional or unsatisfactory performance. In these cases the Manager and team representatives will undertake an individual assessment of the employee(s) involved.

6.9 Skills and Performance Review (Manager positions)

An annual process of Skills and Performance Review will be undertaken in May and June 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 7 of this Manual.

New Managers will have their training plan formulated within 3 months of commencement. New Managers who have completed 6 months service at 30 April in the review year will be eligible for progression following the May/June review. Managers commencing after 1 November will be reviewed during the subsequent review period 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 of 1.8% per annum. Managers who achieve performance targets will move 2 salary steps (each of .9%) each year until the maximum of the range is reached.

Directors shall have the discretion to authorise either no increase or a single step increase where all agreed targets have not been met.

Increases resulting from the Skills and Performance Review will be operative from the beginning of the first full pay period to commence on or after 1 August in the year of review.

6.10 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 Director is to consult with the Human Resources Manager/Officer 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 4 in each grade.

Refer to the procedure on attraction/retention for additional information relating to salaries on commencement.

6.11 Salary Packaging Guidelines

The introduction of the total remuneration packaging approach delivers flexibility for employees in designing a package that suits their individual needs and that can be varied from time to time. It is a cost effective method to reward employees and will complement Council's other attraction and retention processes.

Salary packaging will have a staged implementation and will be on the basis of an invitation to participate. The implementation and levels of resources required to effectively administer salary packaging will be closely monitored and will form part of the considerations to the extent that packaging will be available in future.

Council and a remuneration consultant have collaborated to prepare a "Guide to Salary

Packaging at Bega Valley Shire Council”.

6.11(a) Salary Packaging – Contract Employees

Salary packaging applies to employees who are engaged under senior officer and Award based contracts. The value of the approved total remuneration package shall be used as the basis to determine the total cost of the package. Elements that contribute to the total cost of the package shall include salary, employer superannuation contribution and the cost of provision of a motor vehicle.

Employees who elect to use a vehicle of less value than prescribed in the contract shall still be eligible to maintain the higher value vehicle in the total remuneration package entitlements

The motor vehicle value will be indexed to the “private motoring component” of the transportation index as at 30 June each year and adjusted effective from 1 October each year.

Employees who elect to use a vehicle under a novated lease arrangement shall have costs determined using a business/private use split of 58/42.

Contracted employees accrue all normal leave entitlements and the applicable rate of pay during all periods of paid leave will continue provided the total cost of employment is not exceeded. The exception to this applies to any block of unused leave taken immediately prior to retirement which will be paid at the notional total remuneration package value.

Payment for untaken leave entitlements on termination or expiration of the contract shall be also calculated at the notional total remuneration package value. Payment for any approved workers’ compensation absences will be made at the same rate as other leave with the exception that the statutory rates will apply after 26 weeks continuous absence.

Salary for superannuation purposes (superable salary) may be nominated as the actual total remuneration package value less Council’s notional superannuation contribution subject to such nomination not increasing the total cost of employment. This superable salary shall be maintained during any period of paid leave utilised prior to retirement.

Employees shall bear the costs of obtaining professional remuneration packaging advice.

Fringe benefits tax liability created by salary packaging shall be the employees’ responsibility.