

Greater Hume Shire



**SALARY SYSTEM
ADMINISTRATION POLICY**

POLICY NO: 1A
POLICY TITLE: SALARY SYSTEM ADMINISTRATION POLICY
SECTION RESPONSIBLE: HUMAN RESOURCES
MINUTE NO: 96
REVIEW DATE:

This policy was adopted by the Greater Hume Shire Council on 27 October 2004.

GREATER HUME SHIRE COUNCIL

Policy Number

Policy Description

Salary System Administration

Date

Minute Number

Objective

The Greater Hume Shire Council Salary System is aimed at providing employees with appropriate reward for their skills and performance. The targeted outcomes will derive benefits for the community, management and the employees through the provision of improved customer satisfaction, increased productivity and a reduction in service costs.

Purpose of Pay

The purpose of "pay" is to

- Attract the right people
- Retain the right people
- Reflect employees' contributions
- Reinforce the desired workplace culture

The Salary Policy

Greater Hume Shire Council's Salary System will take into account the priorities and concerns of employees, management and the community. In adhering to this principle, the salary system will:

- Be fair, equitable and consistent, providing equal opportunity for all staff
- Provide recognition and reward based on the acquisition and use of skills
- Provide individual motivation while promoting teamwork
- Be simple in design and easy to administer
- Be easily understood and effectively communicated
- Provide flexibility for management so as to maximise workforce productivity
- Be market competitive whilst taking into account Council's capacity to pay
- Reinforce improving standards of service to the community which are cost effective

- Provide employees with recognition for performance
- Be supported by relevant training to develop skills required by Council, while providing career path opportunities for all staff

Complementing The Award

The Salary System will:

- Complement the entry level rates of pay for each Band and Level of the Local Government State Award
- Compliment the skill descriptors of the Award
- Identify graded salary points that are over and above Award entry level rates
- Enable progression based on the acquisition and use of skills
- Provide a method of salary review
- Ensure that all employees have reasonable and equitable access to training
- Ensure that all employees will be given equal access and reasonable opportunities to progress through a career structure by participation in Council's training plan

Salary System Structure

The Greater Hume Shire Council Salary System will consist of twenty four grades. The grades are designed to provide for differences in the skill requirements for the various jobs within each Band and Level of the Award.

The four step range beyond the "Entry" step is designed to provide for increments of sufficient quantum to both motivate and reward employees for the acquisition of skills and the ability to perform those skills. The horizontal progression across a particular grade represents the minimum and maximum cash rates that the organisation will pay in a grade.

Skill Related Allowances

The Salary System structure will identify and incorporate skill related allowances into the adopted pay structure. There will be no "double-dipping"

Affordability

The Salary System will at all times address the question of affordability. The Salary System will not be effective if it either undervalues or overvalues an employees work. Similarly, the total cost to the organisation must be within budgetary parameters.

Job Evaluation

Job evaluation is a systematic approach to determine the value of positions within Council and provides:

- A method of comparing jobs
- A means of classifying new or changed jobs
- Data on jobs for use in recruiting, career planning, training, employment equity etc

The evaluation process will be based on the "E-comp" Job Evaluation System. Whilst the E-comp system will play a major role in classifying positions within the Salary System, Council recognises that the system does not cater for a number of skills nor the complexity of tasks performed. Accordingly, the criteria to be used in determining the grading of a position will additionally take into consideration the importance of the skill to the organisation and how frequently it is used. Council also acknowledges that a number of "triggers" applied to the former Wyatt job evaluation system, particularly in relation to the impact of certain licences / qualifications. Such triggers will also be taken into consideration as part of the job evaluation process.

Progression Within the Salary System

Progression within the Salary System will be based on the acquisition and use of skills required by the organisation, and the employees' ability to perform the required skills, that is, an increase in competency. Council will conduct annual performance reviews in order to assess the competency level of staff against pre-determined skill descriptors for each step within the grade. Staff Performance Reviews will be conducted during May/June each year with any resultant adjustments to pay to be effected from the first pay period to commence on or after the 1st July.

The link to progression is based on the increasing value of the employee to the organisation. In order for there to be a "win – win" for both Council and staff, there must be productivity improvements and/or a reduction in costs achieved as a result of employees broadening their individual skill base.

With the retention of staff for long periods of time, it is recognised that individuals may reach their limit in terms of progression within the position occupied. In such cases, Council will endeavour to provide career paths beyond the commencing grade for the position in line with organisational requirements.

Council also acknowledges that the salary systems in operation at the former Culcairn and Holbrook Councils included an "at risk" performance component. It is the intention of Greater Hume Shire Council to develop and implement a

complimentary performance evaluation component to Council's salary system as soon as practicable.

Further Changes to the Salary System

The Salary System, as a whole, is dynamic and changes will be made as circumstances dictate. The change process will be initiated by management and processed through the Consultative Committee.